FBIS DAILY REPORT

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TEXT OF SPEECH BY MEHMET SHEHU AT PEOPLE'S ASSEMBLY SESSION

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[Text] Tirana, 27 Dec, ATA--Follows the text of the speech of the chairman of the Council of Ministers of the P.S.R. of Albania, Comrade Mehmet Shehu, delivered at the first session of the 9th Legislature of the People's Assembly of the P.S.R. of Albania.

Comrade deputies, at the yesterday's sitting of this session of the People's Assembly, you decided to charge me again with the high responsibility of the chairman of the Council of Ministers. I heartily thank you for your great confidence. This trust of yours belongs to our glorious party, under the leadership of which, the people won their freedom, established their power of the dictatorship of the proletariat, the genuine socialist democracy, which provide them with the possibility to have their say in everything, to exercise their will in a sovereign way.

I assure you that I will put all my forces and energies for the implementation of the great tasks facing the new government which this session of the People's Assembly is forming.

The new government, just like the previous one, will march on the correct road defined by the 7th congress of the party, will work for the realisation of the magnificent programme of the complete construction of the socialist society, for the constant strengthening of the dictatorship of the proletariat and for the safeguarding with loyalty of all the victories of the revolution, the freedom and independence of our socialist homeland.

The November 12 elections for deputies to the People's Assembly took place in a special revolutionary atmosphere, in the great wave of the work for the implementation of the decisions of the 7th congress of the party and the recent plenums of the Central Committee of the party, at a time when the labouring masses, under the leadership of the party, have risen as a single body to successfully cope with the great difficulties created to our country by the betrayal of the Chinese revisionist leadership, which has already ranked China by the side of U.S. imperialism and Soviet socialimperialism, on the same front of the savage and shameful blockade against tiny Socialist Albania.

The results of November 12 elections are in ardent and concrete manifestation of the steel-like unity of our heroic people round the party and its Central Committee with Comrade Enver Hoxha at the head. The correct Marxist, Leninist leadership of the party and the unity of the people round the party have always been the foundations of all the successes and victories attained by our people and party in the struggle for freedom and independence and for the construction and defence of socialism.

With the November 12 elections, the Albanian people once again showed to the whole world their exemplary determination to incessantly carry forward the construction of the socialist society in the conditions of the complete capitalist and revisionist encirclement, relying on their own forces.

The brutal, perfidious and anti-Albanian act of the Chinese revisionist leadership, the cutting off of the credits and economic and military aid by it to our country, has extremely revolted the hearts and the consciousness of our men and women, of the entire Albanian people.

And this has led to the strengthening of our unbreakable unity and to the elevation of the revolutionary drive of the masses to cope with and smash the blockade and break through the encirclement, to implement all the tasks of the construction of socialism and the defence of the homeland. This has brought about the elevation to a higher scale of the sympathy for and solidarity with Socialist Albania of all the revolutionaries, the peace-loving peoples and the progressive people in the world, who express and manifest not only their non-approval, but also their indignation for the perfidious and treacherous act of the Chinese leadership against our country and express their admiration for the principled and firm stand of our party and people. The cruel and anti-Marxist act of the Peking revisionists against Socialist Albania has turned into a boomerang against them, badly discrediting them before the whole world.

During the past years of the 8th Legislature of the People's Assembly, our people, under the leadership of the party, working with revolutionary selflessness, has taken an important stride forward on the socialist road, they have attained great successes in all the fields of life.

During the 8th Legislature of the People's Assembly, the party gave our people the new constitution, formulated and approved by the people according to the teachings of the party and Comrade Enver Hoxha. No country in the world has such a constitution, as is the constitution of the state of the dictatorship of the proletariat. The constitution of the People's Socialist Republic of Albania sanctions the mangificent victories attained by our people in the construction of socialism and opens wide vistas to the further and uninterrupted development of the productive forces and the improvement of the relations in production, the emancipation and the revolutionary education of the working masses, the preservation and constant strengthening of our socialist order. Providing a constituonal force to the leading role of the party in the whole system of the dictatorship of the proletariat and embodying the basic principles of scientific socialism, our constitution is a powerful weapon in the hands of the people to juridically bar every path to the birth of revisionism and restoration of capitalism, so that Albania should never change its revolutionary red colour, but to forge always and uninterruptedly ahead, on the road of socialism and communism.

During these last four years, despite the numerous obstacles and great difficulties, created by the encirclement and blockade and by the activity of the internal saboteur and putschist enemies in the service of the foreigners, Beqir Balluku, Abdyl Kellezi, Koco Theodhosi and others, our socialist economic-social order developed and was further consolidated.

While the economic-financial crisis is rampant in the whole world, production is falling, unemployment and inflation are increasing, prices are rising, taxes and poverty are increasing, in our country, during the past four years, the distinguishing characteristics have been the uninterrupted increase of social production at rates some times higher than the rate of the increase of population, the constant increase of national income, the general economic stability,the increase of the well-being of the people and the lack of negative economic-social phenomena which appear in other countries. This once more testifies to the superiority of the socialist order over the capitalist one and has further strengthened the revolutionary determination of our labouring masses to march with a militant step on the road towards the complete construction of the socialist society.

The great successes attained in the fast rate development of our people's economy and culture, have given a new impulse to the process of the transformation of Socialist Albania into an industrial-agricultural country, have made our economy even more stable, with multiplied capabilities to march forward entirely relying on our own forces.

During the past four years, our socialist industry has been further developed and consolidated, its leading role in the whole process of the socialist construction of the country has been strengthened more and more. In the 1975-1978 period, the total industrial production increased by 26 percent; from this, the production of the means of production increased by 33 percent and the production of the mass consumer goods by 17 percent. Today, our industry, with its relatively powerful extraction and processing branches of mineral, oil, energy, engineering, chemical, metallurgical, light and food stuff industries, etc. satisfactorily fulfills the needs of the economy, the defense and the people.

When the arch revisionist Nikita Khrushchev and his Moscow gang cut aid to Socialist Albania in 1960, these renegades from Marxism-Leninism hurried to "prophesy," saying that without the Soviet Union, Albania would not survive "even for a fortnight." But 18 years have elapsed since that time and Socialist Albania not only did not "starve," as predicted by the Moscow clown, but she grew up a wholesome cypress.

Thus as against 1960, in 1978 the total industrial production of our country has increased about 5 times, that of chromium 3.6 times, of copper industry 25 times, the electric industry 10.7 times, the chemical industry 51 times, engineering industry 19 times. Today, our economy ensures over 85 pcercent of the needs of the people for food and mass consumer goods and about 90 percent of the needs for spare parts, etc.

We have never received and will never receive any dollar in credit and "aid" from the capitalist states, while the Khrushchevite Soviet Union is plunged into debts, receiving credits to the tune of dozens of billions of dollars from the imperialists. Albania not only did not "starve within 15 days," as Mikoyan "prophesied," but it is some time now that she is self-sufficient in bread grain and does not import grain, whereas Soviet socialimperialism, although it has a territory twice and a half larger than Europe, imports dozens of millions of tons of grain from the USA, Canada, Australia, Argentina yearly. This testifies how correct is our road, the socialist road, and how catastrophic is their road, the capitalist road.

The Chinese leadership too, is following Khrushchev's traces opening to the foreign imperialist capital not only China's doors, but also its roof, showing itself even more frenzied than the Khrushchevites in pursuit of the capitalist road.

The setting up of the ferrous metallurgy in our country constitutes one of the greatest victories of the policy of the party in the series of numerous successes achieved during the 4 years of the 8th Legislature of the People's Assembly. With the construction of the Steel of the Party metallurgical combine, which partially has been commissioned, ever greater perspectives have been opened to our industry and economy in general for their as much as possible independent development from import.

The Chinese revisionists did everything in their power to hinder the construction of this project of special importance for the economy of our country, just as they did their utmost to hinder and sabotage the construction of many other projects, which they left incomplete and many of which they did not begin, thus brutally violating the official agreements signed between our two countries. But the Central Committee of the party and the government took all the measures, and as Comrade Enver Hoxha stated at the meeting of the General Council of the Democratic Front, we will fully and self reliantly build all the projects left incomplete or those which were not begun at all by the Chinese. And these measures have begun to be carried into effect.

The engineering industry has assumed a major development in these past four years. It has already become a powerful basis not only for the upkeep of fundamental funds of the economy and for the production of spare parts at home, but also to forge ahead at faster rates in the production of machines, installations, complete lines, factories and equipment for complete projects, for the extension of production and the construction of new projects, through the promotion and deepening of the technical scientific revolution.

Irrespective of the very grave act of sabotage carried out by the group of enemies in the oil sector, this sector has started to come out of its backwardness, especially after the discovery of a new powerful oil and gas resource and with the perspectives that have been opened to the discovery of other oil and gas-bearing resources. The results attained so far in the development of industry constitute a sound starting point to make further steps forward in the economic-social development of the country.

During these past four years, our agriculture too, has made prominent advances. Through the strengthening of its material and technical basis, our socialist agriculture has ensured an ever better fulfillment of the needs of the people and economy with agricultural and livestock products. Although the plan of agricultural production has not been realized always and in every index as it should be, nevertheless the agricultural and livestock production during the past four years has increased at faster rates than the rate of the increase of the population.

This year 1978 is the third year that we locally meet all the needs for bread grain for the people, the economy and the increase of grain reserves. As against 1974, in 1978 the production of bread grain reached the figure of 132 percent, sugar beet 136 percent, sun flower 109 percent, beans 130 percent, milk 123 percent, meat 113 percent, eggs 126 percent, etc. The results achieved in agriculture, stressed Comrade Mehmet Shehu, are fruit of the consistent correct line implemented by our party in the construction of socialism both in the countryside and town. They speak of the indisputable superiority that our socialist order creates in the countryside and of the decisive role the conscious and revolutionary man plays in the promotion of this so much vital sector for the economy and defence of the homeland, as agriculture is.

In order to implement the programme of the party, to consolidate the material technical basis of our economy and to strengthen the defence potential of the country, 15 percent more fundamental investments and construction work were carried out during the four years of the 8th Legislature of the People's Assembly as against the 7th Legislature. During this period great industrial and agricultural projects have been built, such as the Light of the Party hydro-power station, the Steel of the Party, metallurgical complex, Enver Hoxha auto-tractor complex, the [Ballsh] oil processing plant, dozens of other plants and factories, hundreds of new [production] lines and workshops, reclamation and irrigation projects, social-cultural projects, etc. The Council of Ministers has taken important measures in many directions to increase the effectiveness of the use of investments. Special importance is being attached to the further strengthening of the study and designing work in construction. Beginning with 1976 and on, in general, all the new projects envisaged by the plan to be set up self-reliantly are equipped with the respective projects and preventives prior to the beginning of their construction.

Important results have been achieved in the development of transport and communication, and especially the railway and sea transport, with the construction of the new railways and the increase of the number of ships, meeting ever better the needs of the people and economy for transport. Likewise, there has also developed the home trade and the communal services have been improved.

During the period of the 8th Legislature our revolution further deepened in the field of education, culture and science. The role of our school in the all-round revolutionary education and moulding of the younger generation has been raised to a higher scale. Important measures have been taken also for the further and uninterrupted deepening of the technical-scientific revolution, on the basis of the directives of the Central Committee of the party.

Special care has been taken of the implementation of the line of the party concerning the increase of the wellbeing of the working masses and to further narrow the essential difference between the countryside and the town. Consequently, the real income per capita of population today, as against 1974, is about 9 per cent higher.

During these four years, the Council of Ministers has devoted care also to the health service. We have attained preceptible successes in this direction. In our country, besides the improvement of the material conditions, which constitutes the basis of the improvement of the health of the people, there has also been created a whole army of medical cadres, who are in the service of the people at any time, while the network of medical institutions has been strengthened, being extended even to the remotest areas of the homeland.

The party and the state have created ever better conditions for the working people to rest as well as to meet ever better their social-cultural needs, as intensive work has been done to improve the lodging situation of the population. During the last four years, the state has set up over 21 thousands of dwelling flats in the city, work centers and in the countryside, apart from those that have been set up by the working people of the town and countryside themselves.

A broad field of activity, during the four years of the 8th Legislature of the People's Assembly, has also been the constant improvement of the socialist relations in production. In this direction it has been aimed that the socialist relations in production not only should not become an obstacle for the dynamic development of the productive forces, but they should incite this development and precede it, playing an ever more active role in the process of the struggle and work for the socialist construction of the country. Care has been also taken to protect our socialist relations in production from the alien manifestations and the danger of capitalist-revisionist degeneration.

Alongside the measures to strengthen, develop and protect the socialist property, important measures have been also taken for the further improvement of the relations of distribution. In this direction, the socialist principle of the distribution according to the work has been and is strictly applied in our country. The ratio between the average wage of the workers of all branches of economy and the highest wage of employees is no larger than 1:2 in Socialist Albania. There is no country in the world with such ratios in the wage system. We take care not to fall in egalitarianism in the wage system, but on the other hand we do not allow to have such ratios in this system which lead to the creation of privileged strata, as it occurred in the countries where the revisionists have come to power. Our party attaches such a great importance to this question, so that the ratio between the average wage of the workers and the higher wages, on the basis of the constitution of the republic, is defined by special law. In the revisionist countries this ration is 1:20, 1:30 and more.

The government has taken important measures to elevate the scientific level of running and planning of the socialist economy, consistently implementing the principle of democratic centralism. To this end serve the methodology of the planning of our socialist economy, which was approved this year, as well as many other important documents of the CC of the party and government, which have to do with the improvement of the organization and planned running of our socialist economy.

Implementing the directives of the Central Committee of the party and the decisions of the Defense Council of the republic, the government has taken serious measures to strengthen the defence potential of the country. One of these measures is the implementation of the Leninist principle for the arming and military organisation of all the people. Today we possess an unbreakable defence, set up on the basis of the military line of the party, of the Marxist-Leninist military science, of our military art of the people's struggle, and we are able to cope with every external military aggression, wherever it may come from. The government has consistently applied the correct line of the party in the field of foreign policy. As a result the prestige and authority of our socialist republic in the world have increased still more and its international position has been further strengthened.

During the period of the 8th Legislature of the People's Assembly, important events and developments have taken place on the international arena. The Central Committee of the party has constantly analysed the situations and has always defined clear-cut, correct and principled stands, in compliance with the interests of the Albanian people, of our socialist homeland, as well as of the freedom and independence of the peoples everywhere in the world. Implementing the orientations of the party, our government has pursued a foreign revolutionary, principled and resolute policy against U.S. imperialism, Soviet social imperialism, Chinese social imperialism, against all the world reaction, and has supported and assisted the liberation struggle of the other peoples and the revolutionary movement in the world. The relations of our country with various countries of the world have assumed a further development. Our government has intensified the international cooperation and, within these past four years, it has established diplomatic relations with 16 other states, thus bringing to 82 the number of states with which we maintain diplomatic relations. This fact alone is enough to reject the imperialist and revisionist propaganda on the so-called "isolation" of Socialist Albania. Our government has devoted special attention to the relations with the neighbouring countries. The victories attained in the internal policy and in the foreign policy of our country stem from the correct Marxist-Leninist line of our party, under the leadership of which our country, in the conditions of the complete capitalist and revisionist encirclement, is showing to the whole world that socialism can be successfully built even in a single country, even in a small country, as Albania.

Comrade deputies, having also the opinion of the Central Committee of the party, allow me to propose the composition of the new government, as follows:

First vice-chairman of the Council of Ministers	Adil Carcani
Vice-chairman of the Council of Ministers	Manush Myftiu
Vice-chairman of the Council of Ministers	Pali Miska
Vice-chairman of the Council of Ministers	Qirjako Mihali
President of the State Planning Commission	Petro Dode
Minister of People's Defence	Mehmet Shehu
Minister of Home Affairs	Kadri Hasbiu
Minister of Foreign Affairs	Nesti Nase
Minister of Industry and Mining	Xhafer Spahiu
Minister of Light and Food Stuff Industry	Kristaq Dollaku
Minister of Agriculture	Themie Thomai
Minister of Construction	Rahman Hanku
Minister of Education and Culture	Tefta Cami
Minister of Finance	Haki Toska
Minister of Communications	Luan Babameto
Minister of Foreign Trade	Nedin Hoxha
Minister of Home Trade	Victor Nushi
Minister of Health	Llambi Zicishti

Comrade deputies, the new government, in all its activity, both in the field of home policy and in that of foreign policy as well, will be always led by the general Marxist-Leninist line of our party, it will work with all its forces and energies to realise the magnificent programme of the party, to implement the demands of the constitution and of the decisions of the People's Assembly, for the complete construction of the socialist society and the defence of the homeland.

Relying on our own forces, on the inner human, material and financial resources, and surmounting the difficulties created by the treachery of the Chinese revisionists, our economy in the future, too, will march at relatively fast rates. Our duty is the uninterrupted increase of the total social production and of the national income, the constant improvement of the standard of living of the population, the development of education, culture and science, the constant strengthening of the defence of the homeland.

Actually, the most imperative duty of the government and of all the economic and state organs is to adopt all the necessary measures for the improvement of the organisation and direction of the work to ensure the realisation of all the tasks of the plan of the year 1979, to be presented soon for approval to the People's Assembly and later on of the plan of the year 1980, in order to reach the targets and implement the tasks set by the 7th Congress of the party for the economic-social development of the country during this five-year plan.

During the period of the 9th Legislature of the People's Assembly, the persistent struggle and work of the state and economic organs will be further intensified, all the inner resources and reserves will be mobilized to fulfill the figures of the plan in industry, agriculture, in construction and transport, in the sphere of circulation and of the services and in all the other sectors. Special care will be taken and supplementary measures will be taken to strengthen the discipline of the plan and the financial discipline, to further increase the effectiveness of the use of material expenditure and of the work in all the links of our economic and social life and for the constant strengthening and protection of socialist property.

The work will go on vigorously in the branches of industry and mines for the discovery of new oil and gas reserves and of the other valuable minerals, for the fulfilment of the tasks of the plan in all the figures, on the basis of a more complete utilisation of the existing productive capacities as well as of the new productive capacities to be set up.

We are faced with great tasks especially for the increase of labour productivity, so that the increase of production should be more the result of the increase of the labour productivity than of the increase of the labour power, as well as for the improvement of the quality of production, especially in the sphere of the production of mass consumer goods and of the export goods.

The realisation of the plan of agricultural production, especially in the actual conditions of blockade and encirclement, is of special importance for our country. There are important inner reserves in the sector of agriculture just as in every other sector and our duty is to bring to the fore these reserves, to study, to plan their utilization and carry into effect this plan. Especially the generalisation of the advanced economy is the most important task for the utilisation of the inner reserves and for the fulfillment of the plan in agriculture. If we will generalize the advanced experience in every district and in every agricultural economy, the plan of the agricultural production not only will be fulfilled, but it will also be overfulfilled.

For the realisation of all the tasks in the sector of agriculture, of special importance is that men should become fully conscious of the situation of encirclement and of the new situation created for us as a result of the betrayal of the Chinese leadership. Of particular importance are also the organisation and direction of work for the scientific implementation of all the numerous and complex tasks of agriculture.

As always, the production of bread grains constitutes the main task in agriculture. But this does not mean that the other sectors of agricultural production be left aside. Our attention should be concentrated not only in the production of grains, but also in the production of industrial plants and vegetables, as well as in the livestock and that of fruit growing.

An important task for the agriculture is the upkeep and rational usage of agricultural machinery. In the present conditions, oxen and horses should be used more in agriculture for transport, the tilling of land and other services. More and better [word indistinct] should be worked for the maintenance, extension and exploitation of forests, the reclamation and increase of the area under irrigation, the systematization of lands, the rational usage of chemical fertilizers, and the increase of the natural fertilizers, the improvement of seeds, etc.

The government will take specific measures to successfully conclude the construction of new projects envisaged in the (7th Five-year Plan), surmounting all the consequences of the hostile and sabotaging activity of the Chinese revisionists. Simultaneously, measures have been taken and are being taken to study and design the construction of a series of new projects for the coming 1981-1985 Five-year Plan, relying on our own forces.

The construction of socialism by relying on our own forces does not mean in the least that we are for an autarchic economic policy. We are against autarchy in economy, but, as our constitution clearly defines, we stand for the construction of socialism without receiving credits from the capitalist and revisionist states. This is the reason why the party Central Committee and the government are giving special attention to the strengthening of foreign trade, which constitutes an important weapon to break through the blockade and encirclement.

Today, we conduct trade with many countries of the world but we are against trade with the fascist and racist states. The government will take measures to further extend our foreign trade more than until now on the basis of mutual interest and profit. The policy in the field of foreign trade is: to sell and then buy, and not buy and then sell. Without selling we do not buy, because we do not want to fall into debts in the capitalist and revisionist states. For our party and state this is a question of great principled importance in the construction of socialism which concerns the preservation of the independence of the homeland.

Concerning the extension of foreign trade, great and urgent tasks are set to us, such as: The increase of the volume of export, the thorough improvement of quality and packing of the commodities for export, the struggle to find selling markets, the strict realisations of the agreements and contracts with foreign states and firms, the finding of suitable offers in the world market for our import.

At the same time while we fight for the increase of export, we shall fight for the reduction of import. Overfulfillment of the plan in those indexes where imported materials and raw materials are required should not be allowed, while we should fight for the overfulfillment of the plan in all those sectors and indexes which depend only on the materials and raw materials which are to be found at home. The most immediate task of our economy today is that export not only should fully meet the import and ensure the normal development of the economy, but also, constantly increase our monetary reserves.

The government will work tirelessly to fulfill all the tasks we are faced with in the sphere of education and culture, of health service, communications, and trade, communal services, etc.

The government will take all the measures, and with priority, for the constant strengthening of the defence capacity of the country, in compliance with the directives of the party and with the decisions of the Council of Defense of the republic.

In all the sectors and in all the fields, in the present conditions more than ever it is required the strengthening of the austerity regime, the increase of the care for the protection of socialist property, the complex struggle for the increase of labour productivity and the quality of production, the strengthening of the discipline of work and plan, for the strengthening of the organisation and the running of the economy and state.

The fulfillment of the tasks of the state plan for the years 1979 and 1980 and for the whole Sixth Five-year Plan constitute the sound and powerful basis for the transition to the Seventh Five-year Plan 1981-1985 and for the successful implementation of that plan.

On the basis of the orientations of the Central Committee of the party, the Council of Ministers has adopted the necessary measures so that the state and economic organs, in the center and the grass root, led by the party organs and organisation, set down to work out the draft plan of the coming five-year plan, relying completely on our own forces, without taking into account any material aid from abroad.

The Central Committee of the party and Comrade Enver Hoxha instruct us that in the working out of the coming five-year plan (1981-1985) we bear well in mind the new conditions created by the betrayal of the Chinese revisionists. We should fully and scientifically reflect in the coming five-year plan the orientations and the directives of the party, the objective economic laws of social [development]. We should bear in mind the exploitation of all the real abilities of our country.

The Central Committee of the party and the government are confident that our cadres and working people, while working out the draft-plan of the coming five-year plan (1981-1985), will work with high socialist consciousness, will use all their talent, ability and their scientific knowledge to define mobilizing and real economic figures, so that the coming five-year plan be really a magnificent plan, which will give a further and (?momentous) development to our socialist economy.

The development of economy and culture and the strengthening of the defence of the country in the coming five-year plan are inseparable from the struggle and still greater efforts of our working people for the further and constant deepening of the technical-scientific revolution. For the implementation of the orientations of the Central Committee of the party and of the instructions of Comrade Enver Hoxa with regard to the deepening of the technical-scientific revolution, the Council of Ministers has defined numerous and great tasks and has taken measures to programme the research-scientific work of the years 1978-1980.

This research-scientific work will precede the coming five year plan with studies and designs for the solution of a series of problems in the field of science, technique and technology of production, for the increase of production and the increase of the productivity and the effectiveness of the use of the material-technical basis, relying on the creative and scientific abilities of our workers, cooperativists, specialists and cadres.

For the implementation of the great and important tasks we are faced with, the government will take measures to raise on a higher level the work and the running of the state and economic organs, for the deep understanding of the situation of the blockade and encirclement in which our country is building socialism, to cope with the difficulties and to implement the tasks properly, to enhance the revolutionary vigilance, for the consistent waging of the class struggle, for the constant deepening of the struggle against the manifestations of liberalism and bureaucratism, against any alien manifestation and liberal stands towards them, for the strengthening of the socialist organisation of work, for the steeling of the proletarian discipline in the implementation of the tasks of the state plan.

The present-day situations demand a more organised work and a continuous struggle for the revolutionization and further improvement of the method and style at work of our state and economic organs.

The government will take measures for the ensurance of the ever better implementation of the teachings of the party on socialist democracy, for the ever broader and more active participation of the labouring masses in the governing of the country, so that the rights of the citizens, guaranteed by constitution, find complete implementation. At the same time the government will take care of the further strengthening of the organs of the dictatorship, of the organs of state security in particular, for the consolidation and preservation of the public order and for the consistent promotion of the struggle against the activity of the enemies of socialism.

The government is fully confident that, under the leadership of the Central Committee of the party and having the support of party organs and organisations on a grass-root level and with the valuable aid of all the deputies, it will successfully implement its programme, defined on the basis of the orientations of the party and approved by the People's Assembly, for the all-round consolidation of our internal situation, which today is wonderful, but which in the future will become more wonderful.

Comrade deputies, Socialist Albania, a sovereign and fully independent country, with its principled foreign policy has ensured the consolidation of its international positions and makes an important contribution to the struggle of the freedom-loving peoples and countries against the hegemonic and expansionist policy of U.S. imperialism, Soviet social imperialism, Chinese social imperialism and all the other enemies of peace and freedom of the peoples. It enjoys the respect and sympathy of the revolutionaries, of the progressive men and peoples of the world, because its struggle on the international arena responds to their aspirations for freedom, national independence and social progress.

Socialist Albania is not and it can never be isolated. She has numerous friends and well-wishers on all the continents of the world, who express their ardent support for and their active solidarity with her. We, on our part, wholeheartedly express the profound gratitude and our sincere thanks to all the Marxist-Leninists, the progressive and revolutionary forces, to the friendship associations with our country, social personalities, the numerous friends and well-wishers in the world for their feelings of friendship solidarity with our people and promise them that Socialist Albania will always stand in correct positions and will always justify their sympathy, love and internationalist solidarity.

The present international situation has become more complicated and more turbulent than some years ago. It is fraught with threats and explosions, which are a consequence of the aggressive and hegemonic policy of the two imperialist superpowers--the USA and the Soviet Union, of their expansionist policy and of the rivalry, which keeps aggravating, for spheres of influence and world domination.

China's open emergence on the international arena with its chauvinistic policy of the big state and with aims to become an imperialist superpower, which are expressed in the reactionary theory of the "three worlds", offspring of the so-called "Mao Tse-tung thought", has further aggravated the international situation.

The broad reactionary activity of the Chinese leadership in various regions of the world, the intensive instigation of the third world war be it, a war which the Chinese revisionists consider as inevitable, ignoring the force of the peoples for the defense of peace, the warmongering and racist treaty they concluded with the Japanese militarists recently, behind which lurks U.S. imperialism, the close ties they are establishing with every passing day with the imperialist powers and their aggressive blocs, especially the agreements, plans and the reactionary aims which now lurk behind the sensational establishment of the diplomatic relations with the USA, clearly speak of the dangerous road China has undertaken today. Thus, the danger of Chinese racist social imperialism was added to the world besides the danger of U.S. imperialism and the danger of Soviet social imperialism. And this has complicated more the international situation and has increased the danger of war.

The consequences of the aggressive and hegemonic policy of U.S. imperialism and Soviet social imperialism are perceptible in many areas of the globe, where they have created new hearths of tension and war.

We notice in Europe a further increase of insecurity. The facts and the course of events on this continent have rejected the demogogic clamour of the so-called "detente", "European security and collaboration", "reduction of forces", etc. Just as elsewhere, in Europe too, the two superpowers continue their war preparations and intensify the armaments race, increase their military budgets and war arsenals, strengthen their aggressive NATO and Warsaw Treaty blocs.

On their part, the Chinese revisionists are doing their utmost to mix the cards in Europe and in the Balkans in order to kindle the war between the two superpowers in this region, so that the Chinese global strategy "war in the west and peace in the east" be implemented, so that, after the two superpowers are smashed in struggle with one another, China can make the "law" in the world. But what revisionist China wants to do with imperialist America, imperialist America wants to do with revisionist China, while the social imperialist Soviet Union, too, implements its plans to avoid the possibilities of being between two fires one day, from the east and from the west. In face of this dangerous game of imperialist superpowers, the peoples should rise on foot against the three superpowers, and say "stop!" to the interimperialist world war and fight actively to win and defend their freedom and independence.

In the Middle East region, the Arab people, in the first place the Palestinian people, continue to be victims of the imperialist-Zionist aggression and of the intrigue and plots of the two superpowers. The U.S. imperialists have intensified their activity to impose partial solutions of the conflict of the Arab peoples, to bury the just cause of the Palestinian people, to split the Arab countries and finally to establish their domination in this neuralgic area of great strategic importance and with rich oil resources.

We are confident that the Arab peoples and particularly the martyr Palestinian people, will be deceived neither from the dangerous traps of the Soviet social imperialists nor from the hypocritical advice of the Chinese social imperialists, who are zealously playing the card of U.S. imperialism. The Arab peoples will certainly know [how] to cope with the new situation which has been arisen, and will forge ahead their just struggle, being convinced that without their unity and resolute struggle, without liberating the last inch of their territories occupied by Israel and without restoring all the legitimate rights of the Palestinian people, the Middle East problem cannot be solved, peace and stability in this region will not be established. The Albanian people and their government have supported and will powerfully support the just struggle of the Palestinian people and of the other Arab peoples against the imperialist-Zionist aggression and the plots and intrigues of all their enemies.

Africa has become an arena of the fierce rivalry of the imperialist superpowers, which are ever more stretching their claws on this continent. They are striving by all manner of means and all kinds of manipulations, intrigues and plots to stir up feuds and conflicts among the African countries, to cause hostility among them, to set the African peoples in struggle against one another. All the activity of the imperialist superpowers and of the other neocolonialist powers aims to stamp out the liberation struggle of the African peoples and further strengthen the neocolonialist oppression and exploitation of them. In face of this dangerous situation, there becomes more indispensable the need of the resistance and of the resolute struggle by the African people against the imperialist interference.

The Albanian people and their government forcefully condemn the interferences and plots of the imperialist superpowers in Africa and powerfully support the struggle of the African peoples for the defence of their national sovereignty. We back up the just struggle being waged at present by the peoples of Zimbabwe, Namibia and Azania against the oppression of the racist regimes, for their national and social liberation.

A very great situation of tension and war has been created in Southeast Asia, as a result of the direct interference of the imperialist superpowers and of their rivalry for expansion and hegemony in this region. The Chinese social imperialists particularly, brutally interfering in the home affairs of the peoples of this area, through various machinations, have created a very dangerous situation for the destinies of the peoples of Indochina. This aggressive course of the Chinese revisionist leadership has objectively created favourable conditions to the Soviet social imperialists to intensify their interference in this region. These interferences by the superpowers are the cause of the outburst of the conflicts among the countries of this region. We express our sorrow for the continuation and extension of the armed conflict that has burst out between Vietnam and Cambodia, whose people have heroically fought together and have won over against the U.S. imperialist aggressors. It is to the interest of these two peoples, of their national freedom and independence, to solve the disagreements between them through the road of talks, without any interference from abroad. We condemn the shameful policy of pressure and blackmail, as well as the aggressive activity of Chinese social imperialism against the fraternal people of Vietnam, as we condemn every foreign interference in the home affairs of any people and country.

In the conditions when the imperialist superpowers have intensified and are intensifying their aggressiveness, have kindled and are kindling new hotbeds, when they unfrenziedly [as received] continue their armaments race and uninterruptedly increase the arsenals and budgets of war, when they aggravate the rivalry to redivide the world, to extend the spheres of influence and to place under their control and tutelage the peoples and sovereign states in these conditions and circumstances, it is the duty of the peoples to enhance their vigilance and intensify their allround struggle against these savage enemies.

The People's Socialist Republic of Albania, as always, will stand on the side of those peoples who are fighting for the great cause of the national freedom and independence. It will always stand on the side of the peoples and countries which become victims of imperialist aggression and interference. In its stands towards the political problems of the time, it will openly and courageously express its view, everywhere, and in any case, including the United Nations Organization and the other international forums.

Comrade deputies, in the relations with the other states, our party and government have pursued and always pursue an open and correct policy, just as Comrade Enver Hoxha put it in his speech with the electors on November 8, this year: "When our partners are genuine Marxist-Leninists, then our relations with them develop on the road of friendship, fraternal collaboration and mutual aid. With the capitalist and revisionist states, we develop trade and cultural relations of mutual benefit, on the condition that equality, sovereignty and non-interference in the internal affairs are respected".

Good neighbourliness has always been in the foundation of our policy in the relations with the states which are geographically close to us. In the future too, we will pursue this policy, which responds to the interests of the Albanian people and of the neighbouring peoples and countries, as well as the other countries of the Balkans and hope that with the same spirit these countries, too, will respond to our known and unchanged stands. We want to live always in friendship with the neighbouring peoples and hail the realistic and wellwishing stands of some neighbouring countries towards our country.

The Albanian Government notices with pleasure that the relations between our country and Greece have kept intensifying. Our wish for the positive development of the relations between our two countries has been welcomed by the Greek Government and the Greek people. We stand for that that the [as received] Albanian people and the Greek people march on the road of friendship and that the relations between the two countries develop further and constantly in the field of trade, culture and in other fields of mutual profit. We want that there should never be war in the border line between our two countries, but always tranquillity.

The policy of our state towards the neighbouring Yugoslavia has always been clear. We unchangeably abide by the view that the irreconcilable ideological and political contradictions we have with the Yugoslav leadership should not become an obstacle for the normal development of the state relations between our two countries. We have been and are for the development of normal relations in the field of trade and culture, as well as in other fields of mutual interest. With the peoples of Yugoslavia, with whom we have fought together against the same enemies in the past, we want to live in understanding and benevolence.

Our party and government have always adopted a Marxist-Leninist stand towards the problem of the large Albanian population in Yugoslavia. Without interfering in the internal affairs of the Yugoslav state and observing the known international norms, we are fully right and we deem it our duty to take interest for the destiny of our brothers of the same flesh in Kosovo, Macedonia and Montenegro, so that no injustice should be done against them.

It is a pleasure for the Albanian Government that the relations of our state with Turkey are friendly and have assumed a good development. We uphold that the possibilities exist that these relations, especially in the field of trade and culture, mark a further development. The benevolence and the friendly stand adopted by the Turkish official circles and the positive opinion of the Turkish press for Albania are an expression of the mutual friendly feelings that exist between our two peoples. We will work for the further and constant strengthening of our friendly relations with Turkey.

As until now, we will continue to pursue the policy of good neighbourliness with Italy. We want to develop the relations with Italy in the field of trade and culture and this is to our mutual benefit.

During the recent years we have noticed that the relations of our state with the Scandinavian countries, with Sweden, Finland, Norway and other states, have assumed a good development. Our wish is that the trade and cultural exchanges with these countries extend even more in the future and we are convinced that this desire does not lack on the part of those countries.

The relations between our country and France are friendly and are positively developing. We think that the possibilities exist that these relations develop further, especially in the direction of the increase of trade and cultural exchanges. Likewise, there exist the possibilities for the further development of the relations with Austria, Switzerland, Belgium, Holland and other European states.

Britain and the German Federal Republic have obligations towards Albania. If they want the normalisation of relations with our country, first, they should arrange the question of the obligations they have towards us.

As is already known, the Albanian monetary gold grabbed by the German Nazis during World War II is blocked in Britain. The Albanian Government repeats its request that the decision taken 30 years ago by the tripartite commission on returning the monetary gold to Albania and which has been unjustly dragged on on the part of the three participating governments (the United States of America, Britain, and France) be carried into effect as soon as possible.

We hold that the responsibility falls on the tripartite commission which, in opposition with the international laws and norms, has allowed and allows the blocking of the Albanian monetary gold, under the pretext of an arbitrary and unjust decision, such as the decision of the Hague Court, taken for an issue which has nothing to do with the Albanian monetary gold blocked in Britain.

The German Federal Republic should positively respond to the just demand of the Albanian Government concerning the reparations of World War II. The People's Socialist Republic of Albania will never give in these legitimate rights.

The relations of our country with the countries of Eastern Europe are confined within the trade exchanges and we are for their development on a balanced basis and according to the principle of mutual profit.

An ancient friendship links our people with the fraternal Arab peoples. On the basis of this friendship our relations with Egypt, Algeria, Syria and other Arab countries have constantly developed. In the future too, we will further develop the relations with these countries and will increase the exchanges in the trade, cultural and other fields.

Our country maintains normal and friendly relations with a number of countries of Asia, Africa, and Latin America. In our relations with Mexico perceptible steps forward have been made and we hope that they will assume a further development in the future. Likewise, the relations with Tanzania, Zambia, Guinea, Congo, Pakistan, Peru and other countries are developing in a normal and friendly way. The Albanian Government is making continuous efforts for the strengthening of friendship and cooperation and for the extension of the relations with the progressive states of Africa, Asia and Latin America, to the mutual benefit and in the interest of the struggle against imperialism and neocolonialism.

As is known, the relations between the People's Socialist Republic of Albania and the People's Republic of China, for the complete fault of the Chinese revisionist leadership, which extended the ideological and political disagreements in the field of state relations, have been damaged very gravely. Through its policy of the big state chauvinism, the Chinese leadership cut off all the credits and economic and military aid to Albania, violated all the agreements signed between the two governments and with its intensive anti-Albanian activity, has undermined the Albanian-Chinese friendship. Thus Chinese leadership ranked itself on the same front as the other enemies of the Albanian people, with the imperialists and revisionists of every hue, in the hostile blockade against socialist Albania, in opposition with what it has publicly declared, that it allegedly wants to maintain normal state relations with Albania. China has gone so far in its anti-Albanian activity, that, in fact, it has ceased also the trade relations with our country.

We are for the preservation of normal state relations with China, according to the principles which arrange the relations between the sovereign states. But this depends also on the stand that the Chinese Government will adopt. We are for the trade between the two countries. But for its fault, even today, to the end of December of the year 1978, the Chinese Government does not agree to sign the protocol on goods exchanges between the two countries for the very year 1978, although talks on this question are going on since November 1977. We say to the Chinese revisionist leaders that the whole responsibility for the breaching of relations between our two countries falls on them. If they will continue to go deeper in the road of breaching the relations with Albania, let them not think that they will win anything. Albania has faced other revisionists prior to the Chinese ones. She is used to such situations and nobody can hinder her in her march.

Our country does not have and will not maintain any relations with the two imperialist superpowers, the United States of America and the Soviet Union, which are the biggest enemies of the peoples of the whole world, and which have caused so many evil things to Socialist Albania and cherish aggressive plans against her. We will continue to resolutely expose their imperialist and hegemonic policy. The hopes of those who think that with the cessation of credits and aid by China, Albania will stretch her hand for credits and aid to the other capitalist, bourgeois and revisionist states, will never be realized. There has never been, there is not and there will never be in Albania a "gap" to be filled in by the foreign powers. Socialist Albania survives and advances, relying on its own forces, and never accepts the tutelage and umbrella of anybody. She puts nothing above freedom, sovereignty and Marxism-Leninism.

Comrade deputies, by presenting the main directions of the activity of the government, I express my profound conviction that, under the leadership of our heroic party, we will successfully implement all the tasks and our people will score ever greater victories in the complete construction of the socialist society. We have everything we need to forge ahead incessantly on the road of socialism and communism, relying on our own forces. We have our heroic people, linked as flesh to bone with the party; we have our glorious party which holds aloft the banner of Marxism-Leninism and which loyally and triumphantly leads the whole life of the country; we have the most advanced social order, the socialist order; we have the strong state of the dictatorship of the proletariat, the genuine socialist democracy; we have an invincible defence; we have a relatively powerful material-technical basis and a very rich experience in overcoming the difficulties and obstacles to break the imperialist-experience in the struggle against revisionism; we have the international solidarity of progressive and revolutionary forces of the world.

Nothing can stop us on our road illuminated by the teachings of Marx, Engels, Lenin and Stalin.

Long live our heroic peoples, builders of socialism.

Long live our glorious party and its Central Committee with the leader of our party and people, Comrade Enver Hoxha at the head.

Glory to Marxism-Leninism.

Assembly Completes Session

AU2714467 Tirana Domestic Service in Albanian 1330 GMT 27 Dec 78 AU

[Text] The third sitting of the first session of the Ninth Legislature of the People's Assembly began this morning at 0900. Those present applauded when Comrades Haxhi Lleshi, chairman of the Presidium of the People's Assembly of the People's Socialist Republic of Albania; Mehmet Shehu, chairman of the Council of Ministers of the People's Socialist Republic of Albania; and other party-state leaders entered the hall.

The sitting began with discussion on the government's program presented to this assembly by Comrade Mehmet Shehu, chairman of the Council of Ministers. Taking part in the discussions were Fiqrete Elmazaj, deputy of Tirana District; Sul Baholli, deputy of Durres District; Veli Llakaj, deputy of Tepelene District; Nesti Nase, deputy of Korce District; Ferdinand Shkalla, deputy of Elbasan District; Lefter Goga, deputy of Kukes District; Vito Muco, deputy of Sarande District; Hamit Taga, deputy of Kruje District; Tefta Cami, deputy of Diber District; Eqerem Lezo, deputy of Berat District; Salie Kukli, deputy of Librazhd District; Bajram Arapi, deputy of Vlore District; and Viktor Nushi, deputy of Berat District. At this point, the discussions on the government's program were concluded.

The sitting then referred to the approval of the new government and its program. The composition of the government, proposed by Comrade Mehmet Shehu, chairman of the Council of Ministers, and its program were unanimously approved. The assembly then examined the fifth item on the agenda: Election of the Supreme Court of the People's Socialist Republic of Albania and appointment of the prosecutor general and deputy prosecutor general of the People's Socialist Republic of Albania. Deputy Mihallaq Zicishti took the floor and submitted proposals on this. On behalf of the deputies of Durres, Lushnje, Kolonje, Mat and Lezhe Districts, he proposed the composition of the Supreme Court and assistant judges of the supreme court, as well as the nomination of the prosecutor general and deputy prosecutor general. He proposed Comrade Aranit Cela as chairman of the Supreme Court, Comrades Eleni Selenica and Kleanthi Koci as vice chairmen, Comrade Rrapo Mino as procurator general and Comrade Abaz Brati as deputy prosecutor general. A vote was taken on the proposals and they were unanimously approved.

The assembly then referred to the sixth and last item on the agenda: Approval of the decrees issued by the People's Assembly Presidium. In this connection, the floor was taken by Telo Mezini, secretary of the People's Assembly Presidium, who presented the report on decrees issued by the People's Assembly Presidium. A vote was taken on the decrees and they were unanimously approved.

Following the examination and approval of the sixth and last item on the agenda, Comrade Simon Stefani, chairman of the People's Assembly leadership, delivered a short speech declaring the proceedings of the first session of the Ninth Legislature of the Presidium of the People's Assembly of the People's Socialist Republic of Albania closed.

LLESHI, SHEHU CABLE CONDOLENCES ON BOUMEDIENE DEATH

AU272030Y Tirana Domestic Service in Albanian 1900 GMT 27 Dec 78 AU

[Text] Haxhi Lleshi, chairman of the Presidium of the People's Assembly of the People's Socialist Republic of Albania, and Mehmet Shehu, chairman of the Council of Ministers of the People's Socialist Republic of Albania, have sent the following telegram to Rabat Bitat, chairman of the Popular National Assembly of Algeria:

We learned with great sorrow the news of the premature death of Houari Boumediene, president of the Democratic and Popular Republic of Algeria and chairman of the Council of the Revolution. On behalf of the Albanian people, the People's Assembly Presidium, the Council of Ministers of the People's Socialist Republic of Albania and on our personal behalf, we send our sincere condolences to you and through you to the fraternal Algerian people and the family of the deceased over this serious loss.

LLESHI GREETS KING OF NEPAL ON NATIONAL DAY

AU271453Y Tirana Domestic Service in Albanian 1330 GMT 27 Dec 78 AU

[Text] Haxhi Lleshi, chairman of the Presidium of the People's Assembly of the People's Socialist Republic of Albania, has sent the following telegram to King Birendra Bir Bikram Shah Dev of Neapl:

On the occasion of Nepal's National Holiday, on behalf of the Albanian people and the Presidium of the People's Assembly of the People's Socialist Republic of Albania, it is my pleasure to send you best wishes for the country's progress and prosperity of the people of Nepal.

ISAI, ALIA RECEIVE PERUVIAN COMMUNIST PARTY OFFICIAL

LD281112Y Tirana ATA in English 0915 GMT 28 Dec 78 LD

[Text] Tirana, 28 Dec, ATA--The members of the Political Bureau and secretaries of the Central Committee of the PLA, Hekuran Isai and Ramiz Alia, received at the Central Committee the secretary general of the Peruvian Communist Party, Marxist-Leninist, Antonio Fernandez. The two sides exchanged opinions and questions of common interest in a warm and comradely atmosphere and in the spirit of proletarian internationalism. The talks showed the unity of opinions on all the questions discussed. Present at the meeting were also the director of the foreign department of the Central Committee of the party, Piro Bita, the secretary of the Central Council of the Trade Unions of Albania, Idriz Dhrami and others.

VISITING DANISH MARXIST DELEGATION RECEIVED BY RAMIZ ALIA

AU232008Y Tirana Domestic Service in Albanian 1900 GMT 23 Dec 78 AU

[Text] A delegation of the Marxist-Leninist Communist Union of Denmark led by (Jan Martensen), chairman of the preparatory committee for the congress for the founding of the Communist Party of Denmark (Marxist-Leninist), visited Albania recently. Comrade Ramiz Alia, AWP Central Committee Politburo member and secretary, received the delegation of the Marxist-Leninist Communist Union of Denmark and had a warm and friendly talk with its members. The reception was also attended by Piro Bita, director of the Foreign Directorate attached to the AWP Central Committee.

During its stay in Albania the delegation visited institutions and production centers and had warm talks with party cadres and working people in Tirana, Elbasan, Gjirokaster and Sarande districts. The delegation has left Albania.

ATA REPORTS ON U.S.-USSR SALT TALKS, NUCLEAR TESTS

LD2313342 Tirana ATA in English 0937 GMT 23 Dec 78 LD

[Text] Tirana, 23 Dec, ATA--The plotting SALT talks between the two imperialist superpowers, the USA and the Soviet Union, entered a new stage on Thursday, that of the meetings between the chiefs of the diplomacy of the two countries. The Vance-Gromyko meeting was preceded by a great demagogic clamour which aims at deceiving the world public opinion, at creating the sham impression that these talks serve peace and that the SALT II agreement which is being dished up, will allegedly be to the benefit of the peoples.

But the noise of the nuclear explosions conducted by the two superpowers surpasses that of the pacific propaganda. Precisely on the threshold of the Vance-Gromyko meeting, Washington and Moscow reported that they had conducted new nuclear tests. And these tests can not be separated from the production and experimentation of new mass extermination weapons, missiles and other means. To this end, Washington allocated recently other billions of dollars which will be added to the present military budget. New plans for the increase of armaments and military budgets were worked out in the recent meetings of the aggressive blocs of NATO and Warsaw Treaty manipulated by Washington and Moscow respectively. Feverish war preparations are taking place in the USA and the Soviet Union. The warmongering fevers are hysterically instigated by the Chinese revisionists, who strengthen with each passing day their collaboration and alliance with U.S. imperialism and the aggressive NATO bloc.

ATA: TIES WITH U.S. SHOW PRC WANTS TO BE IMPERIALIST SUPERPOWER

LD2810502 Tirana ATA in English 0940 GMT 28 Dec 78 LD

["New Ties in the Field of Education Between Chinese Revisionists and U.S. Imperialists"--ATA headline]

[Text] Tirana, 28 Dec, ATA--The Sino-U.S. collaboration is being constantly strengthened in the political, economic, cultural and other fields. In continuation of the allround collaboration between the U.S. imperialists and Chinese social imperialists, as the Chinese Ministry of Education officially declared, a group of 50 Chinese scholars left for the USA to study there. This is the first group that goes to the USA since the founding of the PR of China. Soon, it will be followed by nearly 700 students and specialists. It has been planned that 5 thousand Chinese students and specialists will be sent to the USA and 40 thousands to the Western countries in general.

The Chinese revisionist propaganda and that of the U.S. imperialists have attached special importance to these ties. The Chinese Vice premier Fang I considered the dispatch of the Chinese scholars to the USA a great success.

On their part, the U.S. imperialists have expressed their pleasure, too. These facts testify to the ever closer ties of the Chinese revisionists with the U.S. imperialists, China's heading to capitalism, as well as its ambition to become an imperialist superpower.

BCP CC SENDS CONDOLENCES TO ALGERIA ON BOUMEDIENE'S DEATH

AU280850Y Sofia BTA in English 0800 GMT 28 Dec 78 AU

[Text] Sofia, December 28, (BTA)--The CC of the BCP sent a message of condolences to the leadership of the front for National Liberation of Algeria (FLN) party in connection with the untimely death of Houari Boumediene, president, chairman of the Revolutionary and of the Ministerial Councils of the Democratic and Popular Republic of Algeria.

"President Boumediene championed sincerely for the development of friendship and cooperation between Algeria and the socialist community countries, led by the Soviet Union the most loyal friend of the Arab peoples", the message reads in part.

"The Bulgarian communists and the Bulgarian people highly value the great contribution of Houari Boumediene to the consolidation of friendship and all-round cooperation between Bulgaria and Algeria, to the furthering of friendly relations between the BCP and the FLN. We are confident that the FLN party will remain loyal to the ideas and lifework of Houari Boumediene and will unswervingly follow the path of progress and socialism outlined by him".

ALBANIA RECIPROCATES GREETINGS FOR NATIONAL DAY

AU221317Y Sofia RABOTNICHESKO DELO in Bulgarian 19 Dec 78 p 1 AU

[Text] The State Council has received a telegram from the National Assembly Presidium of the Socialist People's Republic of Albania, in which gratitude is expressed for the congratulations on the occasion of Albania's national holiday.

NATIONAL COUNCIL GREETS ESTABLISHMENT OF KNUFNS

AU271911Y Sofia BTA in English 1842 GMT 27 Dec 78 AU

[Text] Sofia, 27 Dec, (BTA)--The National Council of the fatherland front most cordially greets the establishment of the Kampuchean National United Front for National Salvation [KNUFNS].

It is stressed in a telegram to the National Council of the United Front that the Bulgarian public has been unflinchingly supporting the liberation struggle of the people of Kampuchea and welcomes with satisfaction its glorious victory in April 1975, reached at the price of great sacrifice and tests, as well as with the fraternal help of the socialist countries and the other progressive and democratic forces in the world. In the last three years, however, it has been testified that a regime of dictatorship has been established. The Bulgarian Fatherland Front figures resolutely condemn the antinational pro-Maoist policy of the Pol Pot and Ieng Sary policy and insist on guaranteeing the life and freedom of the Kampuchean patriotic, democratic and devoted to the cause of socialism figures.

The conviction has been expressed that the declaration of the Kampuchean National United Front for National Salvation points at the right way of procuring a real independence, freedom, democracy and happiness to the Kampuchean people, to peace and security in Southeast Asia and in the world.

STOICHKOV RECEIVES USSR STATE COMMITTEE DEPUTY CHAIRMAN

AU252047Y. Sofia Domestic Service in Bulgarian 2030 GMT 25 Dec 78 AU

[Text] On 25 December Grigor Stoichkov, deputy chairman of the Council of Ministers, received (Ivan Mulenichev), deputy chairman of the USSR State Committee on Construction. The two talked on further expanding cooperation in construction and on some topical problems of construction development. The meeting, which took place in a friendly and cordial atmosphere, was attended by Ivan Sakarev, minister of construction and construction materials; Stefan Stainov, chairman of the committee on architecture and urbanization at the Council of Ministers, and (Albert Tereskotin), adviser at the USSR Embassy in Sofia.

ZHIVKOV, OTHERS PAY LAST RESPECTS TO DEAD BCP CC MEMBER

AU271246Y Sofia Domestic Service in Bulgarian 1030 GMT 27 Dec 78 AU

[Text] Sofia's public today paid their last respects to Prof Petko Kunin, a noted party and state figure, BCP Central Committee and National Assembly member. The honor guard around the coffin included Comrades Todor Zhivkov; Grisha Filipov; Ivan Mikhaylov; Pencho Kubadinski; Tsola Dragoycheva; Stoyan Karadzhov; Todot Bozhinov; Stoyan Mikhaylov; Vlaxir Bonev; Georgi Yordanov; Georgi Dzhagarov and Mitko Grigorov, deputy chairman of the State Council; leaders of political and mass organizations; and scientists.

TODOROV, MISHEV AT PERNIK ORKUG LEADING ORGANS' SESSION

AU271630Y Sofia Domestic Service in Bulgarian 1430 GMT 27 Dec 78 AU

[Text] A session of the okrug people's committee and okrug Trade Unions Council on the questions of socioeconomic development and problems of the okrug's labor resources took place in Pernik. The following persons took part in the session: Stanko Todorov, BCP Central Committee Politburo member and chairman of the Council of Ministers, Misho Mishev, member of the BCP Central Committee Secretariat and chairman of the Trade Unions Central Council; Angel Chaushev, chairman of the Committee on Labor and Work Wages and others. The session was opened and chaired by Boris Manev, first secretary of the okrug BCP committee.

CENTRAL COMMITTEE CRITICIZES WORK OF OKRUG PARTY COMMITTEE

AU221357 [Editorial Report AU] Sofia RABOTNICHESKO DELO of 19 Dec 1978, on pages 1 and 2, carries the 1,750-word report on a decision adopted by the BCP Central Committee Secretariat on the work of the Vratsa Okrug party organization. The report begins as follows:

"Recently the BCP Central Committee Secretariat discussed the work of the Vratsa BCP Okrug party committee connected with the introduction of the brigade-type labor organization and the brigade-type economic accountancy system and adopted a pertinent decision. It was found that the okrug party organization is performing concrete organizational and political work designed to implement the decisions of the national party conference. The efforts of the party organs and organizations are aimed at improving socialist labor organization. A program has been developed to introduce the brigade-type labor organization on the basis of brigade-type accountancy and considerable work is being done to implement these measures.

"The secretariat of the BCP Central Committee considers the work performed to date by the okrug party organization in connection with the introduction of the brigade-type labor organization as a beginning in the practical implementation of the decision of the national party conference. The results achieved to date pertain primarily to formalistic and quantitative aspects and not to a radical reform in the activities of the various brigades. These results still do not correspond to the high criteria and exigencies postulated by the conference.

"The decision of the BCP Secretariat Central Committee points out that the organizational and political work performed by the party organizations in the sectors of material production has not been sufficiently focused on the basically new requirements connected with the introduction of brigade-type labor organization, namely the fullest coordination and utilization of the three main elements of the production process: Purposeful activities of man (labor itself), the objects of labor and means of work. The party committees have not displayed sufficient strictness and control in reorganizing the work of the brigades on the basis of brigade-type economic accounting. Not enough has been done to set up brigades that include workers who know how to perform auxiliary, repair and other servicing work.

"A large portion of the brigades lack the necessary party nucleus and many of them have not been strengthened by including in them highly qualified cadres. Political work proper is being reorganized much too slowly. Many cadres have still failed to abolish an outdated approach, failing to realize the role of the brigade-type organization in carrying out the strategic course of the party aimed at attaining higher efficiency and better quality."

The Secretariat's decision is then reported to have outlined various measures designed to correct the situation in the Vratsa Okrug party organization such as: Thorough analysis of the existing unsatisfactory situation, coordination of work between party and economic bodies, supply of the necessary material and technological means, improvement in the payments system, inclusion of trade union and Komsomol organizations in the efforts to attain the tasks assigned to the okrug, setting up a program designed to improve the cadres' and workers' training and education, and intensification of the control exercised by the party organization.

The report concludes by saying: "The bureaus of the okrug party committees are enjoined to discuss the conclusions and tasks expounded in this decision and analyze the work performed to date in improving the brigade-type labor organization and to map out all the necessary measures to intensify the role of brigade-type labor organization in the struggle for higher quality and efficiency."

BRIEFS

TRADE WORKERS CONFERENCE--"The fourth plenum of the Central Committee of the Trade Union of Workers in the trade network and public services sector opened this morning at the Sofia "Novotel." The plenum is attended by Misho Mishev, chairman of the Trade Unions Central Council and member of the BCP Central Committee Secretariat, by Georgi Karamanev, minister of domestic trade and public services, and by Yordan Mladenov, minister of supplies and state reserves." In his introductory speech to the main report, distributed in advance, Vene Petkov, secretary of the trade and public services workers' trade union, dwelt on the improvement in cadre training as one of the main prerequisites of improving the efficiency of work in this branch. [Sofia Domestic Service in Bulgarian 0830 GMT 19 Dec 78 AU]

REPORTAGE ON HONECKER'S OFFICIAL ACTIVITIES

Sends Condolences to Algeria

LD271818Y Prague CTK in English 1550 GMT 27 Dec 78 LD

[Text] Prague, Dec 27, CETEKA--Gustav Husak, communist party general secretary and Czechoslovak president, sent today a telegram of condolences on the death of Algerian President Houari Boumediene to the Revolutionary Council of Democratic and Popular Republic of Algeria.

In the message, also signed by Premier Lubomir Strougal, Houari Boumediene is described as an outstanding fighter for the realization of the ideas of the Algerian revolution, for world progress and peaceful cooperation. The people of Czechoslovakia lost a true friend in Boumediene, the message said: "Czechoslovak people will always esteem the revolutionary principles by which President Boumediene was guided in the struggle against imperialism, colonialism and all forms of injustice. We are firmly convinced that the road of Algeria's socialist development, embarked upon by President Boumediene, will find its continuation in the efforts of the political leadership and every Algerian citizen to ensure further prosperity of the Democratic and Popular Republic of Algeria."

Telegrams of condolences were also sent by Federal Assembly Chairman Alois Indra to Rabah Bitat, chairman of the Algerian National People's Assembly, and by Foreign Minister Bohuslav Chnoupek to his Algerian counterpart, Abdelaziz Bouteflika.

Receives Kapek, Workers' Delegation

LD272210Y Prague Domestic Service in Czech 1730 GMT 27 Dec 78 LD

[Text] Gustav Husak, general secretary of the CPCZ Central Committee and president of the republic, received at Prague Castle today a delegation of working people of the capital city of the Czechoslovak Socialist Republic, led by Antonin Kapek, member of the CPCZ Central Committee Presidium and chief secretary of the Prague municipal party committee.

On the same day Comrade Husak also received a delegation of working people of the Central Bohemian region led by Vaclav Hajek, member of the CPCZ Central Committee and chief secretary of the party regional committee.

The delegations comprised representatives of party and state bodies, officials of the revolutionary trade union movement, of the Socialist Youth Union and other social organizations of the national front, workers and technicians from the industry and the building industry, workers in agriculture, transport, trade, health services, education, culture and art, students and apprentices. The delegations briefed Comrade Gustav Husak on the results of socialist construction in Prague and the Central Bohemian region this year. The initiatives of working people in honor of the 30th anniversary of victorious February and other important political events significantly contributed to the successful fulfillment of tasks. The results reveal that working people fully support the CPCZ policy and exert great efforts for the fulfillment of the resolution of the 15th congress and the 11th session of the CPCZ Central Committee in March this year.

The delegations assured Comrade Gustav Husak and the highest party and state bodies that working people of Prague and the Central Bohemian region will honorably fulfill next year's tasks as well as those of the entire Sixth 5-Year Plan.

The general secretary of the CPCZ Central Committee and the president of the republic, Gustav Husak, thanked the participants in the meeting and, through their intermediary, the working people of Prague, the Central Bohemian region and all other regions, for political committedness and selfless work in the fulfillment of the program of the 15th party congress. He voiced an appreciation of the positive results of the year in the industry, agriculture and other branches which create a good starting point to master the even more exacting tasks of next year and to overcome more energetically existing problems. He wishes them many successes at work in 1979, happiness, health and personal contentedness. During the two meetings many good experiences and successes in all spheres of life of society were discussed and, problems which are to be solved in the period to come were pointed out with critical openness.

During the reception of the delegations of working people of the capital city, Comrade Antonin Kapek announced that the current year, too, was for the capital city of the Czechoslovak Socialist Republic--Prague--a year of successes. This is due to the selfless efforts of the Prague communists and other working people as well as to the care devoted by the highest party and state bodies, and Comrade Gustav Husak personally, to its development. Comrade Kapek stated that the tasks of the state plan of development of the national economy this year will be successfully fulfilled. In the spirit of the conclusions of the session of the CPCZ Central Committee an increased attention is being paid to the fulfillment of quality indices. He also spoke about the construction of Prague, recalled the successes achieved, such as the further line of the Prague metro, the section of the north-south motorway and others.

In this connection he also critically pointed out some shortcomings, especially in comprehensive housing construction, and the conditions for their elimination. The general secretary of the CPCZ Central Committee and president of the republic, Gustav Husak, stated in his reply that in Prague, too, like in the entire state, a positive shift took place in the economy, and in other sectors too which are exceptionally important for the life of the town, such as services, health services, culture and others. Even though we, naturally, cannot succumb to self-satisfaction, it is necessary to appreciate the big work of all who contributed to the capital of our country being more beautiful, modern, and for its citizens to live better, for Prague to be a distinguished show place of our socialist state. [Word indistinct] working people of our entire state see in Prague their pride, not only for its historic beauty but also for its current development which is advancing at a quick pace today. It is necessary to do everything to master these tasks even better, to gradually overcome temporary unpleasant aspects which are linked with the extensive reconstruction of Prague. The party Central Committee, the government of the Czechoslovak Socialist Republic and of the Czech Socialist Republic will continue to devote to Prague constant attention, said Comrade Husak.

Receives USSR's Ogarkov

LD272332Y Prague Domestic Service in Czech 2250 GMT 27 Dec 78 LD

[Text] Gustav Husak, general secretary of the CPCZ Central Committee and president of the republic, received at Prague Castle today Marshal of the Soviet Union Nikolay Vasilyevich Ogarkov, chief of the General Staff of the Armed Forces of the USSR, first deputy minister of defense, who is currently on a short holiday in Czechoslovakia. In the course of a comradely and friendly meeting were examined some questions of mutual cooperation between the fraternal armies of both countries. Present at the meeting were Army Gan Martin Dzur, minister of national defense; Frantisek Salda, head of the office of the president of the republic; and Maj Gen Miroslav Rybak, head of the military office of the president of the republic.

1979 GOODS EXCHANGE PROTOCOL SIGNED IN MOSCOW

AU221411Y Prague RUDE PRAVO in Czech 20 Dec 78 p 1 AU

[CTK report: "Negotiations of the CSSR and the USSR Government Delegations Concluded: Rise in Trade Exchange"]

[Text] The planned volume of the CSSR-USSR goods exchange will exceed R6 billion next year, and--compared with 1978--increase by more than 10 percent. Thus states the communique published at the close of the negotiations between the Czechoslovak and the USSR government delegations. The protocol on the exchange of goods between the two countries was signed in Moscow on Tuesday by Andrej Barcak, CSSR minister of foreign trade, and by Mikhail Kuzmin, USSR first deputy minister of foreign trade. Cestmir Lovetinsky, CSSR ambassador to the USSR, attended the solemn signing ceremony. The protocol binds the two sides to commitments resulting from the long-term CSSR-USSR agreement on goods exchange and payments for the 1976-80 period, and from other economic agreements, and expands the positive results of mutually advantageous economic cooperation in the implementation of the comprehensive program for further deepening and perfecting cooperation and the development of socialist economic integration of the CEMA member-countries.

On the basis of the expanding specialization of, and cooperation in, production the two countries, the document envisages a considerable increase in mutual deliveries of machinery and installations that will contribute to further technical progress by the two countries' national economies. In 1979, the USSR will deliver to the CSSR metal working, mining and metallurgical installations, computers, agricultural machinery, tractors, excavators, passenger cars, trucks, aviation technology and other machinery and installations.

The CSSR will deliver to the USSR rolling installations, installations for the chemical, light and food industries, metalworking machines, molding installations, communications technology, vessels, diesel locomotives, trucks, street cars and other products. In 1979 the USSR will deliver to the CSSR the main types of raw materials and materials that are necessary to insure the further development of the Czechoslovak national economy, including, among other things, crude oil, natural gas, black coal, electric power, ferrous raw materials, metals, cotton, chemicals and other types of goods. Czechoslovakia will deliver large-diameter pipes, chemicals and other products. The CSSR will deliver consumer goods to the USSR.

During the negotiations an agreement was reached that both sides will continue their efforts to expand the exchange of goods in 1979. The implementation of the commitments defined in the protocol will contribute to the planned development of the two countries' national economies, to increasing the effectiveness of production and better satisfaction of the growing needs of the Czechoslovak and Soviet Union's populations. The communique emphasizes that the negotiations were conducted in the atmosphere of friendship, mutual comradely understanding and fruitful cooperation.

INTERIOR MINISTER ADDRESSES PARTY OFFICIALS

AU221355Y Prague RUDE PRAVO in Czech 21 Dec 78 p 2 AU

[Unsigned report in the column: "By Teletype, Mail and Telephone..."]

[Text] A meeting of party officials from the Federal Ministry of Interior, which was addressed by CSSR Minister of Interior Jaromir Obzina, was held on Wednesday in Prague. It discussed the main tasks of the Federal Ministry of Interior in 1979, the conclusions of the 12th CPCZ Central Committee session and the tasks connected with the exchange of party membership cards.

HONECKER TO VISIT INDIA IN EARLY JANUARY

LD280846Y East Berlin ADN International Service in German 0300 GMT 28 Dec 78 LD

[Text] Berlin--The general secretary of the SED Central Committee and chairman of the GDR State Council, Erich Honecker, is to visit the Republic of India during the first half of January 1979. He was invited by Indian President N.S. Reddy.

HONECKER, STOPH SEND CONDOLENCE MESSAGE TO ALGERIA

LD271816Y East Berlin ADN International Service in German 1612 GMT 27 Dec 78 LD

[Text] Berlin--The general secretary of the SED Central Committee and chairman of the GDR State Council, Erich Honecker, and chairman of the GDR Council of Ministers, Willi Stoph, have sent a state telegram to the Council of the Revolution of the Democratic and Popular Republic of Algeria and the acting president, Rabih Bitat, on the death of the president of the Democratic and Popular Republic of Algeria and chairman of the Council of the Revolution, Houari Boumediene. The telegram states:

"We heard the painful news of the death of the president of the Democratic and Popular Republic of Algeria and chairman of the Council of the Revolution, Houari Boumediene, with deep shock."

The message of sympathy goes on to say: "Together with the people of the Democratic and Popular Republic of Algeria, we lament the loss of a great revolutionary and outstanding statesman who deserves a firm place in the history of the struggle for his country's national independence and social progress, for defending the legitimate rights of the Arab peoples, including that of the Palestinian people for an independent state, and for the consolidation of peace and cooperation between all peoples.

"On behalf of the SED Central Committee, the State Council, the Council of Ministers and GDR people, we send our sincere and deeply felt sympathy to the members of the Council of the Revolution of the Democratic and Popular Republic of Algeria, the government, the National Liberation Front, the friendly Algerian people and in particular to the family of the dear deceased."

ALBANIAN LEADERS THANK GDR COUNTERPARTS FOR GREETINGS

AU221324Y East Berlin NEUES DEUTSCHLAND in German 20 Dec 78 p 2 AU

[Text] Berlin (ADN)--Haxhi Lleshi, chairman of the Presidium of the People's Assembly of the Peoples Republic of Albania, and Mehmet Shehu, Council of Ministers chairman of the People's Republic of Albania, have sent GDR State Council Chairman Erich Honecker and Council of Ministers Chairman Willi Stoph a telegram thanking them for their congratulations on the 34th anniversary of Albania's liberation from the fascist yoke.

BRIEFS

SOLIDARITY CONCERT--The sum total donations within the community action "freedom for peace" has increased to M6,950,743 after the third solidarity concert. During the several hour program trade union groups, enterprise collectives, FDJ basic branches and house communities reported about various aid activities for the anti-imperialist struggle of the peoples in Africa, Asia and Latin America. The GDR radio service will broadcast another solidarity concert this coming Friday. [Text] [East Berlin NEUES DEUTSCHLAND in German 18 Dec 78 p 2 AU]

COMMUNIQUE ON MSZMP DELEGATION'S PDRY VISIT

AU271526Y Budapest NEPSZABADSAG in Hungarian 21 Dec 78 p 7 AU

["Communique on an MSZMP delegation's visit to the PDRY"]

[Text] At the invitation of the Central Committee of the Socialist Party of Yemen [SPY], an MSZMP delegation led by Central Committee Secretary Sandor Borbely visited the PDRY 14-20 December.

The delegation was received by 'Abd al-Fattah Isma'il, first secretary of the SPY Central Committee, and 'Ali Nasir Muhammad, member of the SPY Politburo, chairman of the Presidential Council and prime minister. The delegation visited the party academy and the third province, where it was acquainted with the work of local party organizations.

At talks held in a cordial and comradely atmosphere, the two parties' representatives informed each other about their countries' positions and parties' activities, reviewed possibilities for developing their bilateral relations and exchanged views about topical international issues of mutual interest.

The SPY delegation at the talks, which was led by Salim Salih, alternate Politburo member and Central Committee secretary, reviewed the Yemeni people's struggle against imperialist and reactionary forces to defend national independence and the achievements of the revolution, to unite the Yemeni people and to create a unified democratic Yemen.

The two parties' representatives noted with satisfaction that their bilateral relations are developing fruitfully. The cooperation between the MSZMP and SPY on the basis of the principles of proletarian internationalism is serving well the intensification of friendly bilateral relations between the Hungarian and Yemeni people.

The exchange of views between the two sides on international issues was characterized by an identity of views. They stressed that international detente is serving the interests of all the peoples of the world. At the same time, they noted that cold-war forces are striving to increase tension through intensifying the arms race and developing new mass destruction weapons. They underscored that political detente must be extended to the military area. They attached great significance to the conclusion of a SALT II agreement as soon as possible.

The MSZMP and SPY representatives devoted particular attention to the Middle East situation. They established that separate bargainings and the Camp David framework agreements cannot serve as the basis for a just and lasting peace, are inconsistent with the Arab peoples' interests, have further complicated the situation and have increased tension in the area. They adopted a position against endeavors aimed at a separate agreement.

They expressed the conviction that a comprehensive and just settlement of the crisis can be reached with the inclusion of all the parties concerned and the participation, on an equal footing, of the PLO, the only legitimate representative of the Palestinian people. A withdrawal of Israeli troops from all Arab territories occupied in 1967, recognition of the Palestinian people's legitimate rights, including their right to return to their fatherland, and recognition of the right of all the peoples of the area to live in peace and security is a fundamental prerequisite for a just settlement. In this connection, they stressed the significance of the position in principle reaffirmed in the Moscow statement of the Warsaw Pact countries.

They expressed their appreciation of the resolutions of the Damascus conference of the steadfastness front and highly valued the statement of the Baghdad conference, which prevents separate bargaining. They welcomed the agreement, aimed at imperialist and Zionist plots, between Syria and Iraq. They condemned imperialist and reactionary attempts to bring about an aggressive pact in the Arab Gulf and Red Sea area. These endeavors aim at increasing tension and endanger the independent and peaceful development of the peoples of the area.

They assured the African national liberation movements of their solidarity and full support. They condemned NATO inverventi'on in African affairs and the attempts to create so-called African peace-keeping forces. They emphasized the significance of the prevalence of nonintervention in each other's affairs and the principles of the UN and OAU charters in the Horn of Africa, and they regard as necessary a settlement of conflicts through dialogs in the area. They came out for a liquidation of racist regimes and they condemned the collaboration between the Israeli and South African Governments against the Arab and African peoples.

They condemned the aggressive military presence of imperialism in the Indian Ocean and pledged their support for initiatives toward a liquidation of foreign bases and a declaration of the area to an atom-free peace zone. They condemned the provocations against the Socialist Republic of Vietnam and they are in support of Vietnam's proposals on a peaceful settlement of the conflict with Cambodia. They pledged their support for the struggle pursued for social progress by the people of the Afghan Democratic Republic.

They established that the nonalined countries' movement is an important and positive factor in international politics. They support the movement's struggle against imperialism and neocolonialism and its efforts toward a liquidation of inequitable economic relations. The talks manifested the mutual intention of the MSZMP and the SPY further to strengthen their relations on the basis of the principles of proletarian internationalism. In this spirit, they concluded a workplan of cooperation for 1979-80. The delegation returned home from Aden on Wednesday [20 December].

BUDAPEST CORRESPONDENT COMMENTS ON U.S. STAND ON IRAN

LD271234Y Budapest Domestic Service in Hungarian 0500 GMT 27 Dec 78 LD

[Excerpt] Events in Iran are causing anxiety in the United States. For practical purposes, oil exports from Iran have ceased, and this is being felt in the American economy. Istvan Kulcsar reports from New York:

[Kulcsar] The CBS evening news devoted no less than three commentaries in consecutive reports to the theme that crude oil exports from Iran ceased altogether yesterday for the first time. America imports only 8 percent of its oil from that country, but if the strike continues for a long time--it is emphasized in Washington--then first, the world market price of crude oil will increase faster and by much more than is planned by OPEC; second, the already significant deficit in the American trade balance will increase further; and third, allies of the United States will be in a difficult position. Already, Western Europe imports 20-40 percent of its oil from Iran; Israel 70 percent; and South Africa 95 percent. The Carter administration officially still supports the shah but, as commentators point out, only because it sees no other trustworthy alternative. In the wake of yesterday's demonstrations, American correspondents report from the scene that the army is helpless in the face of the masses. Several have voiced the opinion that the situation cannot be settled by restricting the power of the ruler. There is only one solution left: The shah must go.

JABLONSKI SENDS CONDOLENCES ON BOUMEDIENE'S DEATH

LD272300Y Warsaw PAP in English 2114 GMT 27 Dec 78 LD

[Text] Warsaw, 27 Dec, PAP--In connection with the death of President of the Democratic and Popular Republic of Algeria Houari Boumediene, president of the Council of State Henryk Jablonski today sent a message of condolence to President of the Algerian National Assembly Rabah Bitat, in which on behalf of the highest sincere feelings of grief over the painful bereavement and sympathy for Algeria and its nation.

The message stressed that the deceased president, fighter for the liberation of Algeria and the builder of his country's strength has rendered great services to the cause of the struggle for peace, security, international cooperation based on the principle of equality, to the struggle of developing nations for justice, progress and development, which have won Algeria great esteem all over the world.

"The Polish nation," reads the message, "particularly appreciates Houari Boumediene's personal contribution to the development of relations of friendship and cooperation between Poland and Algeria. I wish to voice my deep conviction that the policy of cooperation and friendship will be (?further) continued and expanded, serving the interests of our two nations as well as the cause of peaceful and creative international cooperation."

TRADE PROTOCOL SIGNED WITH ROMANIA IN WARSAW

LD280413Y Warsaw PAP in English 1312 GMT 27 Dec 78 LD

[Text] Warsaw, 27 Dec, PAP--A protocol on trade exchange between Poland and the Socialist Republic of Romania has been signed in Warsaw. Value of trade in 1979 will grow and is expected to reach some 550 million rubles.

Poland is to supply Romania with coking coal, sulphur, ship engines, mining equipment, polygraphic machines, measurement apparatus, etc.

Exports from Romania will cover petrochemical products, caoutchouc, fibres, machine tools, drilling equipment, farming machines, tanks, etc.

The growth of trade exchange between the two countries will be accompanied with by a further development of cooperation and specialization in many spheres.

FOREIGN TRADE MINISTER COMMENTS ON USSR AGREEMENT

LD272018Y Warsaw PAP in English 1710 GMT 27 Dec 78 LD

["Trade With USSR Enriches Polish Market Supplies"--PAP headline]

[Text] Warsaw, 27 Dec, PAP--In connection with the signing by Poland and the Soviet Union of a protocol on trade exchange and payments for the year 1979, Polish Minister of Foreign Trade and Shipping Jerzy Olszewski said: Whenever I sign a trade protocol with the Soviet Union, I can say with satisfaction that though the level of our turnover is so high, we are still capable of accelerating the pace of our trade. Only two years ago I signed a similar protocol, which provided for 24,000 million exchange zlotys worth of trade exchange with USSR. Next year the value of Polish-Soviet turnover will amount to almost 34,000 million exchange zlotys.

Similarly to previous years, consumer goods, enriching market supplies in both countries will occupy the leading position in Polish-Soviet trade.

Machines and production equipment as well as means of transport account for some 60 percent of Polish exports to USSR, while raw materials and other production materials are the leading items on the list of Polish imports from that country.

Also, Soviet supplies resulting from Poland's taking part in the expansion of the raw-materials base greatly influence the increase in mutual turnover. Thanks to this, next year Poland will receive extra supplies of crude oil, iron ore, ferruginous materials and natural gas.

Further deepening of integration processes between the two countries will be seen in the field of specialization and co-production next year. The share of goods produced under specialization and co-production agreements in the mutual exchange of machines and devices will amount to over 50 per cent.

I am convinced that the coming year will bring further initiatives on the part of our producers in the field of establishing close co-production links with their Soviet partners, Minister Olszewski said.

WRZASZCZYK, KATUSHEV ATTEND MOSCOW ECONOMIC MEETING

LD281018Y Warsaw Domestic Service in Polish 0000 GMT 28 Dec 78 LD

[Text] The 21st session of the Polish-Soviet commission for economic and scientific and technical cooperation began yesterday in Moscow. It was attended by Polish Deputy Premier Tadeusz Wrzaszczyk and Konstantin Katushev, deputy chairman of the USSR Council of Ministers. Problems concerning the further deepening of specialization and production cooperation between the most important sectors of the Polish and Soviet economy are being discussed, together with the supply of the Soviet Union for complete Polish industrial installations.

GRUDZIEN, ZANDAROWSKI ATTEND VOIVODSHIP PLENUMS

LD272342Y Warsaw Domestic Service in Polish 2300 GMT 27 Dec 78 LD

[Text] The PZPR voivodship committee held a plenary meeting in Katowice yesterday. The meeting was chaired by Zozislaw Grudzien. The committee discussed the implementation of the agricultural development program. Considerable progress was noted in plant and animal production. It was also reported that in the Katowice voivodship there were currently 70 agricultural production cooperatives, 24 of which were set up this year.

In Olsztyn, a voivodship committee plenum was attended by Zdzislaw Zandarowski. The committee discussed the tasks defined by the resolutions of the 13th PZPR Central Committee plenum. The committee paid particular attention to management efficiency, agricultural development and the strengthening of ideo-educational work.

GORZOW PARTY PLENUM DISCUSSES EMPLOYMENT OF CADRES

AU221412Y Warsaw TRYBUNA LUDU in Polish 18 Dec 78 pp 1, 4 AU

[PAP report: "Plenums of PZPR Voivodship Committees--Gorzow Wielkopolski: Better Employment of Cadres"]

[Text] THE PLENUM OF THE PZPR VOIVODSHIP COMMITTEE IN GORZOW WIELKOPOLSKI WAS DEVOTED TO PROBLEMS CONCERNING THE RATIONAL EMPLOYMENT OF MANPOWER.

The plenum, which was chaired by Ryszard Labus, first secretary of the PZPR voivodship committee, stressed that the progress that had been made in this regard in Gorzow Voivodship was demonstrated, among other things, by an increase in labor productivity amounting annually to an average of 12.2 percent in industry and to 9.4 percent in construction.

THE DISCUSSION POINTED OUT THAT A BETTER USE OF THE QUALIFICATIONS AND INITIATIVES OF WORKERS, A TIGHTENING OF LABOR DISCIPLINE AND THE PREVENTING OF TURNOVER OF CADRES ARE NOW AMONG THE MAIN CONDITIONS FOR THE FURTHER RAPID DEVELOPMENT OF THE VOIVODSHIP. For example, absenteeism and bad work organization in some industrial plants alone cause annual losses amounting to about Z800 million. Some 15 percent of the highly qualified cadres are used outside of their professions.

Accenting the need to improve discipline, the plenum pointed out that discipline should be motivated above all by a better comprehension of social needs and an increase sense of civic responsibility for the implementation of the scheduled tasks. IN FOSTERING AND PROPAGATING THESE ATTITUDES A PARTICULAR ROLE IS ALLOTTED TO PARTY ORGANIZATIONS, WHICH SHOULD BE MORE PENETRATING IN EVALUATING MANPOWER MANAGEMENT IN GENERAL AND THE CADRE POLICY FOLLOWED BY PLANT MANAGEMENTS IN PARTICULAR. The plenum was attended by Stanislaw Nieckarz, deputy head of the PZPR Central Committee department of Economic Planning and Analyses.

PAP REVIEWS FOREIGN POLICY IN 1978

LD272204Y Warsaw PAP in English 1723 GMT 27 Dec 78 LD

[Text] Warsaw, 27 Dec, PAP--1978 was the period of ever increasing activity in Poland's foreign policy. In a constructive dialogue with the world Poland has been implementing with full commitment the principles of the common policy of the socialist community, the ideas of peaceful coexistence of states, regardless of their socio-political systems.

The priority Poland attaches to the tightening of cooperation with the Soviet Union and other fraternal socialist countries has been expressed by successive significant dates recorded in the history of their relations. Edward Gierek held meetings with Leonid Brezhnev. The talks between the two leaders gave a new impulse to the drafting of a common approach to all the current problems of contemporary time.

Successive fruitful meetings were held between the Polish leaders and leaders of other fraternal countries, including those neighbouring on Poland: Czechoslovakia and the GDR. Edward Gierek's visit to Yugoslavia confirmed successful development of the all-round Polish-Yugoslav cooperation.

Poland's relations with socialist countries serve the strengthening of the unity of international communist and working class movement, and contribute to the consolidation of peace and detente the world over.

Implementing the national tasks and simultaneously acting in favour of deepening integration ties with CMEA and alliance within the Warsaw Treaty Organization, Poland has been putting a maximum effort to the creation of good atmosphere among states representing different socio-political systems. Worthy of note is the example of Polish-French cooperation. Observers have acclaimed it as the pattern for putting into life the decisions of the Helsinki conference. Yet another proof of this was the meeting between the PUWP CC first Secretary, Edward Gierek, and President Valery Giscard d'Estaing.

In 1978 saw the continuation of Polish-West German dialogue, both in government and diplomatic contacts and in the sphere of representative discussions favouring exchange of views and better mutual understanding.

In 1978 Poland emphasized her firm will to develop cooperation with young socialist-oriented states, her solidarity with the just struggle of African people for liquidation of all forms of racial discrimination and attempts at imposing on them neocolonial solutions which could bring about new conflicts on that continent. Poland expressed her support for the countries which have embarked upon the road of revolutionary socio-political and economic transformations during the visit of Henryk Jablonski to the People's Republic of Angola, and visits of the leaders of the Libyan Jamahiriyah and socialist Ethiopia to this country.

Poland has condemned separatist Camp David agreements being of an opinion that respect for the just and indisputable rights of the Palestinian people to their own country, and withdrawal of Israeli troops from all occupied Arab territories are an integral factor of just settlement of the Middle East conflict.

Further deepening of Polish-Japanese relations, which found expression in Premier Jaroszewicz's visit to Tokyo, was certainly among the most symptomatic events of this year. Poland, co-author of the CSCE Final Act, which has so favourably affected the political atmosphere in Europe, belongs to the ardent proponents of constructing the foundations of collective security in the world--Asia included.

Poland is for the strengthening of confidence among nations, for the preparation of societies for life in peace. The adoption by the United Nations, as the world parliament, of the declaration on the preparation of societies for life in peace drafted at Poland's initiative became the (?final) future [as received] crowning all the efforts undertaken by this country in the international arena this year with the present day and future of all continents in mind.

BRIEFS

BCP WORKING DELEGATION--A working delegation of the BCP Central Committee led by Vasil N. Konstadinov, deputy head of the BCP Central Committee Agricultural Department, has visited Poland to study PZPR activities in promoting agriculture and food production and to have talks at the PZPR Central Central Committee. The delegation has visited Ciechanow, Gdansk and Elblag Voivodships. [Warsaw TRYBUNA LUDU in Polish 26 Dec 78 p 4 AU]

TU CENTRAL COUNCIL HOLDS PLENUM IN BUCHAREST

AU272055Y Bucharest AGERPRES in English 1845 GMT 27 Dec 78 AU

[Text] Bucharest, 27 Dec, AGERPRES--A plenary meeting of the Central Council of the General Trade Union Confederation of Romania took place on December 27. The plenum debated the tasks incumbent on the TU bodies and organizations for the carrying through of the economic and social development plan for 1979 and the provisions of the additional programme by 1980. The plenum debated and endorsed the report on the participation of the TU bodies and organizations in the professional training and development of the working personnel in 1978 and the measures to be taken for enhancing the contribution of trade unions to ensuring and training the manpower needed for the fulfilment of the 1979-1980 plan of socio-economic development, the report on the preliminary execution of the budget of the GTUCR [General Trade Union Council of Romania] Central Council, of the committees of the branch TU federation committees and of the territorial council for 1978, and the draft budget for 1979, as also the report on the international activity deployed in 1978 by CTUCR and the main targets of this activity next year. Constantin Dascalescu, member of the Executive Political Committee, secretary of the CC of the RCP, addressed the plenum.

RCP SECRETARY MUSAT RECEIVES JAPANESE COMMUNIST OFFICIAL

AU220953Y Bucharest SCINTEIA in Romanian 20 Dec 78 p 5 AU

[Text] Comrade Vasile Musat, secretary of the RCP Central Committee, together with Comrade Ghizela Vass, member of the RCP Central Committee, met with Comrade Tsuyoshi Toki, member of the Central Committee of the Japanese Communist Party [JCP] and chief of the JCP international affairs section, who is paying a visit to our country at the invitation of the RCP Central Committee. On this occasion the sides briefed each other on the current activities and concerns of the two parties and exchanged views on certain aspects of contemporary international life, and the communist and workers movement.

The meeting and talks proceeded in an atmosphere of warm comradely friendship, characteristic of relations existing between the RCP and JCP. During its stay in our country, the JCP delegation visited economic and sociocultural establishments.

SCINTEIA ON STRENGTHENING SOLIDARITY WITH DEVELOPING COUNTRIES

AU231534Y Bucharest AGERPRES in English 0910 GMT 23 Dec 78 AU

["Strengthening Solidarity With Developing Countries in the Struggle for Independence, Peace and Social Progress, for New Economic Order"--AGERPRES headline]

[Text] Bucharest, 23 Dec, AGERPRES--SCINTEIA of December 23 carries under the above headline an extensive editorial article, part of a series devoted to the fundamental questions of the international policy of the R.C.P. and the Romanian state. Here is the text of the article:

One of the most important processes of contemporary develcpment is the emergence in the world of scores of new states which, reawakened to life (?after) the long night of colonial epoch, have embarked on the road of self-dependent development.

Marking the fading away of the colonial system and its transformation from a huge reserve of forces and resources of imperialism into an active anti-imperialist force, the foundation of the newly independent states mean a tremendous progressive, revolutionary transformation in the life of mankind, which has profoundly influenc (the world balance of forces in favour of the cause of peoples' freedom.

Romania, which along the history waged hard and long fight against foreign oppression, for social and national liberation, followed with warm sympathy and actively expressed its solidarity with the liberation struggle of the peoples in those countries, giving them assistance in various forms--political, material, diplomatic--and then entering into diplomatic relations with the newly independent states, right after their foundation. The broad development of the collaboration with these states, with the developing countries, is one of the defining orientation of Romania's activity on an international plane, substantiated by the programme of the party, by the decisions of the eleventh congress, by the speeches of President Nicolae Ceausescu, by all foreign affairs documents of Romania. Highlighting the reasons for this steadfast, principled orientation, President Nicolae Ceausescu stressed: "We develop broad relations of collaboration and solidarity with the developing countries, with the non-aligned countries, considering this to be an inseparable part of the struggle against the imperialist, colonialist and neo-colonialist policy, in defence of the peoples' independence, for each nation's right to be master of its destiny, for general peace".

The whole development of contemporary world emphasizes as one of the historic tasks of the revolutionary movement, of the socialist countries, of the communist and workers' parties, of the advanced forces everywhere, the need for helping these states in liquidating their underdevelopment and advancing on the road of building a free and prosperous life, for the building of a new international economic order.

It is a reality that the newly independent states, the developing countries are a natural ally of socialism, of the world progressive forces in general. They were born from the fight against imperialism and assert themselves ever more actively in international life, in the struggle against the imperialist and neo-colonialist policy of (?enforcement), domination and dictate, for the promotion of new relations of equality and equity. These countries are vitally interested in maintaining and consolidating peace, the fundamental, essential condition of peaceful construction on which the liquidation of the inherited backwardness depends. At the same time, their overwhelming majority take to carrying through progressive social transformations, in view of removing the obsolete, anachronical structures grounded on feudal-type sequels, for achieving faster progress in all spheres of social life. Telling in this respect is that a number of these states choose the socialist way of development, seek out specific ways of building, in harmony with concrete conditions and peculiarities, the foundation to a new system. It is on full reason that can be appreciated that as a whole, the newly independent state, the developing countries assert themselves ever more pregnantly as an important factor of progress in mankind's evolution. [sentence as received]

In developing the collaboration and solidarity with these states as a priority objective the necessity comes to the fore of intensifying the support to the strengthening of their national independence. The struggle of the young states for the consolidation of independence is in fact a direct continuation of the national liberation struggle of the (?respective) peoples--which is known to have enjoyed the active solidarity of the advanced, democratic political forces the world over.

At present, to back their efforts for the consolidation of independence, to ensure the observance of their right to be masters of their own resources, to choose freely their development path, without any outside interference, according to their fundamental will and interests is the more imperiously necessary today as the forces of imperialism, colonialism and neo-colonialism try in all forms and by all means to maintain and expand their positions--the developing countries being today the main arena of the struggle for the redivision of the zones of influence and domination.

In this respect, of utmost importance for the consolidation of the new states' political independence is the consolidation of their economic independence, the overcoming of the underdevelopment. Naturally, the decisive role in this respect is incumbent on the peoples themselves in the respective countries, on their own efforts, on the mobilization of all internal resources for speeding up the socio-economic progress. At the same time, the necessity comes to the fore of an international cooperation to back these efforts, to ensure the developing countries' free access to the gains of modern science and technology, the establishment of a fair ratio of the price of raw materials to that of industrial goods--essential demands for the establishment of a new economic order.

To be efficient, to actually yield results on the road of overcoming the underdevelopment, such a support should be exclusively channelled toward the development of the productive forces, toward economic progress and industrialization in particular, toward an intensive development of agriculture, in a word, toward the building of a modern, self-relying economy. This demand is the more stringent as the imperialist forces try to employ the so-called assistance in order to perpetuate or create new forms of economic dependence, of subordination to the big multi-national monopolies and societies. At the same time, it is obvious that bringing these states in the vortex of the arms race cannot contribute to overcoming the underdevelopment, on the contrary, this results in funds and resources that are of vital importance for the economic and social development programmes being diverted to military purposes, also creating relations of dependence on the states supplying military technique, which opens outlets for immixture in their internal affairs and seriously endangers the independence of the respective states.

As is known, there are different litigations between some developing countries, unsettled issues inherited from the period of colonial domination. The fundamental interests of these states, the general interests of all peoples, of peace in the world however demand that all disputed issues be solved by peaceful means, by negotiations, grounded on mutual regard and esteem, persevering action be taken for the extinction of the hotbeds of tension which can at any time snow all into conflicts with unforeseeable consequences, all efforts be deployed for the establishment of relations of good neighborliness and friendly collaboration. The unity of the developing countries is the decisive condition, the safest guarantee of consolidation of their national independence. The safest guarantee of consolidation is their solidarity, with priority to the common fundamental interests, to what unites these states, that their peoples can be secured a new prospect, of progress and welfare. At the same time, it is only by acting in unity that these countries, which make up the big majority of the world states, can make their voice better heard, can enhance their contribution to developments in the world arena.

Naturally, the socialist countries, the communist and workers' parties have the duty to be in the first ranks of the struggle for the liquidation of underdevelopment and for the establishment of a new international economic order--this being part and parcel of the historic mission of the revolutionary movement, of the communist ideal of building a new world, no longer divided into rich and poor, a world where all peoples should enjoy prosperity, welfare and dignity.

Leaving gaps behind, building a new international economic order is a great revolutionary objective of our times, expressing the need for all peoples to thrive, for the capitalization of the potential resources of the world and for the progress of all mankind, for lasting peace perspective to be established.

Of course, liquidating underdevelopment and economic gaps is a grandiose historical objective. Contemporary mankind has the necessary resources for that, huge funds--yet they are streamed to other purposes, wasted in the arms race. It is obvious that the main brake to the efforts for doing away with this severe abnormity is arming--huge burden for all the peoples, unacceptable embezzlement of mankind's resources now, that the states are confronted to most acute needs, when hundreds of million of people live hungry and miserable.

Today, affirming the imperative need to cease the arms race, to transfer the resources wasted for new, destructive weapons to the purpose of the making the whole mankind prosperous, has become a power-play idea. That is why one of the supreme obligations of all the progressive political forces is to implement some concrete, effective measures of disarmament for reducing military expenditures. This would mean both reducing the dangers threatening mankind and the release of funds very much needed for ensuring honourable life conditions for the peoples in the developing countries. The efforts made for the cessation of the arms race, the energetic actions taken for reducing military expenditures and implementing disarmament are real grounds for the concrete affirmation of the solidarity with the peoples of those countries.

Unabatedly acting for expanding collaboration with the developing countries, for strengthening active solidarity with those countries, Romania has relations with over 100 developing states, promotes new forms of cooperation meant to contribute to the efficient capitalization of their national resources, to building self-depending economies, grants them technical assistance and support in moulding their own experts--all these pointing out the solidarity in facts of our party and state with the peoples of those countries. At the same time, with every passing year Romania's collaboration has expanded with the developing countries in point of international political life, this being most significantly reflected in our country's participation as a full member in the activity of the "Group of 77" as well as in her participation as invitee in the activities of the non-aligned countries, in the multiple common actions of the U.N.O. and of other world organizations.

The visits Comrade Nicolae Ceausescu paid to numerous developing countries as (?well as) the Romanian visits by heads of state and government from those states have proved of utmost importance for the positive evolution of these relations. President Nicolae Ceausescu being awarded the Simba prize--symbol of the struggle of the African peoples for liberation and progress--is one more expression of the special esteem the general secretary of our party enjoys on all meridians for his tireless activity in support of the ideals of liberty and independence for the peoples, of the consistent support Socialist Romania has been granting to the national liberation struggle, to the self-dependent social and economic development of the African peoples, of all new, independent states, to the fulfilment of their vital aspirations after advancement on the road of progress and civilization.

Just as the documents of our party, and President Nicolae Ceausescu in his speeches show, Socialist Romania is resolved to do everything in the future too for strengthening solidarity and collaboration with the developing countries to increase her contribution to liquidating underdevelopment, to building a new international economic economic and political order, according to the aspirations after peace, independence and progress of all mankind.

FEDERAL CHAMBER, CHAMBER OF REPUBLICS MEET IN BELGRADE

LD261244Y Belgrade TANJUG Domestic Service in Serbo-Croatian 0848 GMT 26 Dec 78 LD

[Text] Belgrade--The Federal Chamber and the Chamber of the Republics and Provinces of the SFRY Assembly met in Belgrade this morning for their last session of the year. The delegates first heard a report by Veselin Djuranovic, president of the Federal Executive Council, on plans for the implementation of the 1979 Yugoslav social plan. Later the Chamber of the Republics and Provinces is expected to approve the draft resolution on social and economic development next year, while the Federal Chamber will adopt the 1979 federal budget.

Djuranovic Delivers Report

LD262104Y Belgrade TANJUG Domestic Service in Serbo-Croatian 0901 GMT 26 Dec 78 LD

[Text] Belgrade--In preparing the draft and subsequently the proposed resolution on the implementation of the 1979 Yugoslav social plan, the Federal Executive Council proceeded from a more complete analysis of development in 1978 and during the first 3 years of the social plan from the closest interdependence of material development and degree of development of self-management socialist relations, and from the basic aspects of current developments in the world economy, which are essential for the economic development and trends in our country. This was stressed today by Veselin Djuranovic, president of the Federal Executive Council, in his report on the implementation of the 1979 Yugoslav social plan, which he submitted at a joint session of the Chamber of the Republics and Provinces and Federal Chamber of the SFRY Assembly.

Djuranovic said we have endeavored to make a realistic assessment of the attained results, especially from the point of view for the implementation of growth quality, the relations obtained in the distribution of revenue and policy of economic stabilization, and the functioning of our economic and political system, so that on the basis of our estimate of the situation and relations we can define the tasks of social development in 1979 as realistically as possible.

In all this we particularly bear in mind the views and assessments set forth on these matters, on several occasions by the president of the republic, Comrade Tito, and particularly his speech to the leading political aktiv of the Socialist Republic of Slovenia and at the eighth congress of the Federation of Yugoslav Trade Unions.

Social development in 1978 bears the characteristics of a further growth of economic activity.

According to latest assessments, we will have a growth rate for industrial production of almost 9 percent; of labor productivity of over 3 percent; of employment of over 4 percent; of total investment in the fixed assets of the economy of about 11 percent; of real personal income of about 6 percent per employed person; coupled with a balance of payments deficit lower than that in 1977 and with an absolute and relative drop of losses in the economy. Bearing in mind unfavorable weather conditions, production of basic agricultural produce during the same period has been relatively satisfactory.

The results attained in 1978 in our material development have helped the basic objectives and tasks of the Yugoslav social plan for the period 1976-1980 to be better implemented.

We are now in a position to establish that during the first 3 years of the social plan, the following average annual growth rates were established: The social products of our economy as a whole: about 6 percent; industrial production: about 7 percent; labor productivity: 2.2 percent; employment: over 4 percent; overall investments in the fixed assets of the economy: almost 11 percent. Although the results in 1978 are somewhat poorer, the growth of agricultural production has been dynamic. The rise in real personal income per employed person amounts to 4.3 percent and the standard of living as a whole to about 6 percent, coupled with a reduction in the deficit of our balance of payments to within the limits envisaged by our social plan--thanks to the fact that there was no deficit in 1976, and that in 1978 we came close to the level anticipated by the social plan. All this shows that these are significant results in the material development and in the further dynamic implementation of our production potential.

At the same time, the process of the development of socialist self-management relations has continued. Further significant efforts were invested this year on the application of the law on associated labor. The activity along the line of the further affirmation of the socioeconomic substance of income, of the elaboration of the foundations of income earning, of the promotion of relations in earmarking income and net income, of the development of reciprocal relations among the workers in associated labor, of promotion of associated labor organized upon self-management lines, especially in the basic organizations of associated labor and of their relations within the basic organizations of associated labor, has been continued and in a way in which respect for the system of self-management organization has been institutionally established almost in its entirety.

Analyses of social and especially of economic developments in 1978 point out, however, the existence of some unfavorable tendencies which have a destabilizing effect on economic and social trends. These are not some new negative tendencies but tendencies present and known to us from past years. We have taken stands and clear orientations regarding them but we have not managed to eliminate them. On the contrary, with every passing year they persisted, accumulated and exacerbated our economic and social problems, threatening that unless the reasons engendering these problems are eliminated at their bases, in the period immediately ahead of us they may give rise to deep-seated upheavals, and in so doing may have an adverse effect on the overall policy of our social development which we have agreed on.

Veselin Djuranovic warned that what is involved is the fact that relations in income distribution and social product are overextended, with clearly emphatic tendencies toward deepening the disparity between the obviously available income on the one hand, and all forms of expenditure on the other. This is a disparity which has existed for years and which has deepened increasingly, so much so that it has attained proportions which must no longer be tolerated. The problem is all the greater and more complex owing to the fact that as a result of overextended relations in distribution, accumulation funds are growing poorer, the organizations share of associated labor's own resources in financing extended reproduction is falling, and the material basis of self-management is being considerably impaired. In calculating the overextended relations in the distribution of the social product against the global imbalance, that is, against the difference between social product and overall expenditure and adding--as an element of imbalance--unwarranted funds [nekvalitetna sredstva] used to cover certain final expenditure balance sheets, we can make an approximate estimate that this disparity runs up to about 20 percent of the overall social product of the country.

Despite that, factors are present which support the overstimulation of the domestic economic boom and disharmony in commodity-monetary relations, the basic feature of which is a speedier increase in demand than supply. As you know, the causes of this imbalance stem from an earlier period and it went on increasing when we who were motivated by the need to revive economic activity following the depressed growth rate in 1976, encouraged and materially supported the boom on the domestic market with economic measures. At the same time, with the adoption of the medium-term plan, a new and major investment cycle was also set in motion. By measuring the growth in demand which is capable of being paid for, with the growth in the money it must be noted that money in 1976, compared with the situation in the preceding year, increased by 56 percent--for which the irregular mutual crediting of the economy up to then had also been partly substituted; by 20 percent in 1977, and in the 11 months of 1978, that is, according to estimates by the end of the year, will have increased by some 30 percent. The overstimulated domestic boom has also brought about an internal tension in distribution, has considerably destimulated the orientation toward exports, and has exerted pressure on an increase in imports in order to supplement the missing commodity funds.

What is at stake is an unsatisfactory growth in the level of labor productivity and a slow strengthening of the qualitative factors of economic activity, which represents the cause of the fact that we have not achieved--with the production and economic potentials of the country available--a greater social product and income. As is known, the increase in productivity in 1976 was 0.5 percent; in 1977 it was 3.4 percent, and in 1978 it is estimated it will amount to 3.1 percent. The average annual increase in productivity during the 3 years of the realization of the social plan is about 2.2 percent, which is about 1.7 points lower than envisaged by the medium-term plan. In this way on the basis of labor productivity in the realized social product of the social economy, the share in its increase is 37 percent, while the planned share on this basis in the total increase of the social product should be 53 percent.

In recent months there has also been an increase in inflationary tendencies, along with the possibility of the rate of inflation reaching--under certain conditions--a considerably higher level, with all the known unfavorable consequences. In this context, it is necessary to point out that the cause of the inflationary increase are mainly domestic. Without going into some causes of a structural nature, the causes which are continually speeding up inflationary processes are a continuous increase in the allocations from the income intended for the payment of a high level of personal, general and joint consumption, and in particular the growth in fiscal appropriations by means of a sales tax in order to finance the growing budgetary expenditure at all levels; low social labor productivity and insufficient economic activity efficiency along with high material costs per unit for product, in which context the cost principle is very pronounced; chronic losses in a section of the economy; and a high level of so-called nonproduction costs. Under such conditions, market laws stemming from the relations between supply and demand and average labor productivity are weakening. What is also characteristic right now at this point is the existence of problems connected with the further development of the unified market and great efforts have, therefore, to be made in the sphere of shaping the unity of the Yugoslav market in order that the market can be organized more efficiently for the dynamic coordination of commodity and monetary relations.

Serious difficulties as regards the implementation of a policy of more balanced goods exchange with other countries and stabilization of the balance of payments are not only still present, but they are even increasing. What causes particular concern is the fact that the participation of our country in world trade in decreasing because, for example, the share of our exports in total world exports has been reduced from 0.66 percent in 1966 to 0.47 percent in 1977.

Despite a certain decrease in the balance of payments deficit in 1978--this being the result of an increase in the inflow of foreign exchange from unaccounted trade and remittances from abroad--the deficit level is still high. What is particularly high is the trade deficit, and it is stabilizing at a high level: In 1977 it was $1.38 billion, while in 1978 it will be about $4.28 billion, and the estimate for 1979 is about $4.4 billion. The fundamental cause of such a situation is the fact that we have not succeeded in increasing exports in real terms at higher rates along with the simultaneous increase in production which substitutes for (?imports).

It goes without saying that in defining this basic orientation of development policy next year, it has also been necessary to proceed from an assessment of present world economic trends and a realistic estimate of the possible development of the world economy in 1979. The influence of such trends on economic trends in our country has always been significant, in view of the fact that the volume of our total commodity exchange with other countries is reaching over $15.5 billion in 1978.

Veselin Djuranovic stressed that all the indicated features of socioeconomic trends and relations clearly confirm the assessments made about the existence of elements of economic instability, along with the danger of these increasing. He said that it has therefore been necessary to adopt the orientation--and this without hestitation--toward the need for the policy of socioeconomic development in 1979 being subordinated to the implementation of greater stability in economic trends and social relations, and the dynamics of economic growth, too, being more fully coordinated with the consistent implementation of the economic stabilization policy. This is precisely the reason why the proposed policy for the implementation of the 1979 social plan lays stress on the quality of economic growth and economic stabilization and in line with this on the relevant dynamics of economic growth.

In determining this most significant orientation, the Federal Executive Council has noted that the struggle for the quality of economic growth and economic stabilization in 1979 can be won successfully under the conditions of better harmony between economic stabilization and dynamics of development, that is, under the conditions of a calmer economic growth. In line with this it has been proposed that the growth rate of the social product of the entire economy be about 6 percent, which is one point below the average annual rate of growth of the social product of the entire economy envisaged by the medium-term plan and that the rate of growth of industrial production be 7 percent, which is also one point below the rate envisaged by the medium-term plan. In fact, what is involved are growth rates which are about the average growth rates in the first 3 years of the plan.

Let me make a comparison with the medium-term plan and point to the issues of the dynamics of growth so that our approach to the draft development policy for 1979 can be assessed more fully. For the question of the relations between the proposed policy and the goals and tasks of the medium-term plan is also raised. Yugoslavia's social plan for the 1976-1980 period envisaged a speedier development in the last few years of the plan--and this is clearly laid down in that document--and, from this point of view, the question of relations between the proposed policy and above-mentioned orientation in the medium-term plan has also been raised. Lastly, at the country's present material development level too we need a more dynamic rate of economic growth.

Djuranovic stressed that a somewhat slower rate of growth in 1979 cannot be interpreted as a weakening of the orientation toward dynamic growth and even less as opposition to the goals and tasks of the medium-term plan, nor as being separate from the attitudes laid down in the 5-year plan. On the contrary, such a policy stems from the substance and meaning of the basic premises of the medium-term plan and is profoundly interlinked and conditional on the dynamics of growth and economic stabilization policy. The stabilization of economic trends and of qualitative changes in the process of social reproduction represents one of the basic goals of the SFRY social plan for the 1976-1980 period. With Yugoslavia's social plan a clear task has been set: Create conditions in order that a more dynamic and harmonious economic and social development becomes the basis of greater and more lasting stability.

In conceiving the policy in such a way, we expected at the beginning of the present plan period that the creation of conditions for a more lasting stability would be a very difficult and complex task. That this is so and that we took into account in the plan for unfavorable conditions for the implementation of the goals set is also testified to by the fact that we also laid down in the plan the following paragraph: "Under exceptionally complex conditions, it should be insured, through jointly agreed activity and measures of economic policy, that the annual rate of economic growth be not less than about 5 percent and that of industry not less than about 6 percent.

The proposed 1979 development policy, with its slower rate of growth, proceeds in fact from the estimate that necessary conditions for the implementation of the higher rates of economic growth do not exist but that, in the same vein, they are not so unfavorable as to make us orientate ourselves to the lowest rate of economic growth envisaged by the social plan under so-called exceptionally complex conditions. It is not superfluous to add that under the conditions as presented above, the proposed rates of growth are dynamic, just as the rates of growth reached in the first 3 years of the medium-term plan, too, were fairly dynamic.

In opting for the proposed policy of development next year with emphasis on economic stability and quality of growth, the Federal Executive Council also stresses the closest possible interdependence of the proposed policy of socioeconomic development with the development of socialist self-management socioeconomic relations. This is why the resolution proceeds from the clear orientation that during next year we must irrevocably arrest the further weakening of the material basis of self-management and open up the process of its gradual but constant consolidation.

As is known, the weakening of the accumulation capability of the basic organization of associated labor is a tendency that has been manifesting itself for several years now, although the production forces of our society are powerfully surging ahead. There is no doubt that this is one of the major problems in the present phase in the development of our society. Therefore, the main direction of our action and our main and decisive battle must be won along the line of coordinating all aspects of expenditure with realistically available income, that is to say, with the social product. This has to be done in a way which, in terms of its substance, methods and proportions, will not only arrest a further weakening of the material basis of associated labor, but will insure a gradual but obligatory consolidation of its accumulation and reproduction capability. This must be done because it is a major question of our overall policy and it has a deep class substance. The impoverished accumulation funds of associated labor, which is the situation at present, and the weakening of the material basis of self-management in the production sphere, which has been present as a tendency for a long time now, is the weakest spot in our social relations and the biggest obstacle preventing associated labor from controlling social reproduction.

It is indisputable, however, that parallel with this, intensive activity has to unfold to raise labor productivity, to increase the efficiency of economic management and to earn greater income, which existing production and our overall economic potential make a realistic possibility.

The proposed policy of development for 1979, contains the demand that considerably more favorable developments should be insured in the sector of economic relations with foreign countries. The reasons for this orientation are obvious: A further diminution of our share in the international division of labour, the increased trade deficit and the deficit in our balance of payments as a whole, as well as an increase in the degree of our country's indebtedness vis-a-vis foreign countries, must be arrested. There is no doubt that this is an exceptionally difficult and complex task, but we must persist in its successful implementation.

For 1979, strong emphasis has been put on the anti-inflationary policy. We see the coordination of all aspects of expenditure with a realistically acquired income, the raising of labor productivity and efficiency of economic operation, the implementation of realistic supply and demand relations and a consistent adherence to the price policy contained in the resolution, to be the main premises for the successful implementation of our anti-inflationary policy.

The proposed development policy has not been fully elaborated and made concrete in every respect to enable us to say at this stage that it encompasses a complete program of measures and actions, with the result that during the implementation of this policy work to devise even better solutions must be continued. In this context, we must bear in mind the fact that overcoming the reasons of some problems will demand some time to accomplish.

The policy of earmarking the income and net income and the policy of setting aside funds for net personal income--in fact, coordination of all aspects of expenditure with the available social product, that is, income--is of the greatest importance. The stands regarding this matter contained in the resolution are that the growth of total final expenditure must be slower than the growth of social product and income; that personal consumption and total personal income must grow more slowly than income, and that net personal income should grow more slowly than earned net income, that total resources to meet general and joint requirements must grow more slowly than the nominal growth of income and the social product, and that joint consumption funds in basic organizations of associated labor should grow more slowly than income. Consistent implementation of these stands can insure a more harmonious relationship between consumption and realistically acquired income, and greater sums set aside to strengthen the material basis for associated labor. This year and during previous years we did not manage to carry out identical or similar stands regarding this matter. Orientations remained declarations with accompanying bad feelings over our inability to implement the agreed policy. This is why in 1979 we must not permit a similar situation to arise, because the material and social consequence would be far more serious and more grave, Djuranovic warned.

There is no doubt that the decisive battle for changes in the sphere of distribution of social product and income in keeping with the proposed development policy must be conducted in basic organizations of associated labor, in work organizations, in assemblies of self-management interest communities and organizations of sociopolitical communities. Almost 26,000 basic organizations of associated labor and work communities in the economy, almost 5,500 self-management interest communities, 512 municipal assemblies, as well as the republics assemblies and autonomous provinces bear a great responsibility for the implementation of proposed policy.

In fact, delegations of associated labor in the assemblies of interest communities and sociopolitical communities are dutybound to approach with the greatest responsibility the adoption of decisions which will insure that the rate of contribution from income and personal income should express as consistently as possible the stands on the coordination of all aspects of expenditure with realistically acquired income.

In this respect, special importance is attached to the commitment inherent in the law on associated labor, whereby workers in basic associations of associated labor must declare themselves in advance on the proposed contribution rates. The application of this principle must be genuine and not formal. Proposed contribution rates must be thoroughly explained.

The next task of essential importance for the implementation of the policy of stable development in 1979 is to bring the growth of investment into line with realistically available resources. There are three major problems in this sphere. The size of investments in fixed assets in relation to social product is high. Data shows that this ratio has exceeded 34 percent, and would be beyond 40 percent if investments into working capital were included. Obviously, this is not in keeping with our realistic possibilities. The structure of the sources feeding this strong investment expenditure is very unsatisfactory. The share of the resources of organizations of associated labor in financing the investments is the lowest. Even if all further investments were to be stopped, the investments now under way could not cover the resources of organizations of associated labor for several years ahead.

This is why domestic and foreign credits represent the overriding source of investment resources, with the result that the indebtedness of our economy and indebtedness of our country abroad is constantly growing. In addition, a substantial part of working capital is used for investments; according to some data, about 25 percent of all the sources financing investments are short-term credits.

The third problem, which unfortunately is not sufficiently taken into account, is low investment efficiency. This is also confirmed in the global development plan, whereby the rate of investments in fixed assets is two points above the rate envisaged by the social plan, whereas the growth rate of social product of social economy as a whole is about one point below that which has been envisaged. In fact, the dynamics of our economic growth do not reflect the effects of the high rate of total investments.

It is difficult to dispute the assessment that the basic cause for such trends in investment consumption should be sought in the fact that workers in associated labor make decisions only to a lesser extent on the disposal of investment resources; that is that business circles under the influence of non-economic structures, along with only a formal approval by self-managing decisions, mostly decide on the construction of projects and commitment of resources for investment. Another and no less significant cause of this state of affairs in the investment sphere, and which stems from the above-mentioned cause or is more closely linked with it, is the fact that development and investment programs of organizations of associated labor are, to a large extent, not the result of the consistent implementation of the system of self-managing planning and, therefore, in the present expansion in the investment sphere motivation based on income, the linking up and interdependence of organizations of associated labor is little in evidence.

The development policy next year, therefore, advocates that the exponents of investment decisions should take action without delay and also take concrete measures aimed at coordinating the growth of investments with the real resources available and reduce the volume of investments.

This principled orientation should be carried out along with full responsibility for it to yield relevant results, but also with a greater understanding for this approach to be elaborated in such a way that priority is given to investments, which contribute fundamentally to the resolution of the structural problems in the economy, and so that they are part of the function of the most essential goals of development policy. The consistent implementation of the task indicated implies a certain slowing down of new investments next year.

The problems of budgetary expenditure in general and the problems of the federal budget in particular are becoming more complex and more serious year-to-year; they emerge increasingly as one of the fundamental causes which make it difficult to strengthen the functions of associated labor in the monetary and credit sphere, to weaken inflationary impulses and to reduce appropriations from the income, Djuranovic stressed.

He went on to say that it is indisputable that the volume of the federal budget has achieved a level which calls for a detailed analysis of the system of financing the federation, that is, serious balance sheet estimates of the real possibilities of society to insure such a volume of budgetary expenditure at the federal level. The essence of the problem of financing the expenditures of the federation does not basically lie in the way in which the budget deficit is made good, but in the fact of balancing the expenditures and revenues of the federation in line with the law on financing the federation.

In connection with this, when the demand is made to reduce the expenditures of the federation it seems, nevertheless, as though insufficient account is taken that the level of federal expenditures of over 93 percent is an expression of the financing of the policy which we have adopted in the sphere of national defense, security, and foreign policy, and with additional resources for economically insufficiently developed republics and the socialist autonomous province of Kosovo and veterans' and disabled protection, and that the method of financing the individual types of these expenditures is based on certain automatism, which, in turn, stems from the policy and the method of financing established by the social plan for the 1976-1980 period, and that without changing either the established policy or the method of financing the above-mentioned costs, the deficit in the federal budget cannot be reduced.

However, the Federal Executive Council is of the view that next year all necessary documentary and analytical materials should be prepared in order to work out the foundations, which will serve as an agreement for the verification of the system of financing the federation, that is, of the relevant changes as regards the present system. In this connection, we believe that the point of departure and the decisive orientation of this approach must be that both, as regards the volume of expenditure and the method of financing, should be insured and that the increase in the federation's budgetary expenditure must be strictly within the limits of the increase in the social product.

The question which deserves greater attention within the framework of the proposed policy, and even more in the course of implementing this policy, is the orientation as regards price increases. The agreed-on price policy has not been implemented in several sectors. The expansion of investment consumption and of other types of consumption has encouraged price increases, so has the problem of resolving the issue of losses. The strong presence of the cost principles under the conditions of insufficient labor productivity and efficiency of economic activity continually generates the pressure to increase prices. The considerably speedier increase in real incomes than in labor productivity is one of the significant causes of inflation. With the increase in the sales tax and costs of transport, the increase in retail prices increased.

All this has led to the rate of inflation, calculated by retail prices, reaching about 15 to 16 percent in December 1978 as compared with December 1977. However, the average rate of inflation, calculated for the January to December period of 1978 amounts to 13 percent, compared with the same period in 1977.

Djuranovic stressed that the Federal Executive Council has believed and believes that the economic stabilization policy must be more specifically defined in the price sector. To adhere to the attitude that the increase can go as far as this year's level practically means retaining the same intensity of inflation. We have, however, set out goals to reduce the rate of inflation. Thus the orientation that prices in 1979 should increase one-fifth more slowly than the rate reached in 1978 means a perfectly clear definition of the goal which should be achieved; it also means the definition of the responsibility for all social factors to behave in line with this orientation, and to contribute to this goal being achieved. This also means a mobilization in society to achieve this goal.

Djuranovic stressed that exports represent a crucial and vital aspect in development policy next year, as well as in the next entire period. The task defined in the resolution on social development in 1979--that exports be increased in real terms by at least 5 percent and imports by 2 percent, along with the established deficit in the unified projection of the balance of payments and the foreign exchange balance of Yugoslavia not increasing--manifests the full complexity of the struggle to have these relations achieved. In fact, the rate of exports should be increased more than twice in real terms compared with the average rate achieved in the first 3 years of the medium-term plan; and this when the competitiveness of our goods on the world market has not been increased under the conditions of intensified protectionist measures in industrially developed countries, and when these countries have opted to resolve their own problems through a policy of relatively low growth rates and a decrease in the balance of payments deficit.

The stabilization of the balance of payments and dynamics of economic growth are fundamentally conditional on achieving exports at a higher rate, but not on this alone. The orientation toward a calmer domestic boom should in fact, represent a greater adaptation of the structure and variety of our production to a more dynamic export orientation. In any case, the implementation of the planned rate of exports represents a greater struggle for the higher quality of products and for more competitive prices; this, in turn, calls for greater labor productivity and greater business efficiency but also for far better organizational standards in the entire activity of our work organizations abroad.

The deficit in commodity exchange with other countries at a fairly high level remains one of country's chief problems, and due to a slow change in the economic structure it does not reduce the need for imports of goods. The policy which we agreed on in this respect was aimed at increasingly reducing imports to the purchase of raw materials, reproduction material and equipment for the production of which we have no resources of our own, or for the production of which our economy is not technically and technologically equipped. Of course, structural changes cannot take place quickly; indisputably, this is a continuous process to a greater or lesser extent. And yet, some tasks in this respect could have been resolved more speedily.

It should also be borne in mind that the speedier development of activities of special significance is concomitant with imports; thus we have encouraged imports in the present stage. Djuranovic's assessment activity next year must proceed along two lines: To increase exports and to substitute imports by speeding up the construction and completion of projects whose production should reduce imports.

What is involved in both cases are development and economic foundations and not import restrictions. However, Djuranovic stressed, the Federal Executive Council is of the firm view that--should the fact that the tasks indicated not be implemented and this lead to an increase in the balance of payments deficit--it is necessary to also take relevant measures to keep the balance of payments deficit with the volume planned. The Federal Executive Council cannot accept certain comments about the problems of imports and exports being looked at exclusively from the point of view of the balance of payments and its policy being subordinated to that. First of all, this is not merely the policy of the Federal Executive Council but the policy firmly defined by Yugoslavia's social plan and by a series of most significant documents which define the policy of our economic relations with other countries. This is a policy which must be very clearly defined, in the sense that imports of goods must be within the frameworks of the balance of payments possibilities of the country, and the policy of indebtedness abroad, as well as the degree of indebtedness being such as that it will not act unfavorably on the country's foreign liquidity, and making it possible to obtain loans under (?favorable) conditions and in line with the possibilities for repaying them.

In Djuranovic's view, next year two directions must be pursued simultaneously: The increase of exports and the substitution of imports through the accelerated construction and completion of plants whose production should reduce imports. In both cases, at issue are development and economic bases and not the restriction of imports. However, Djuranovic stressed, the Federal Executive Council stands firmly on the position that if the failure to realize the outlined tasks leads to an increase in the balance of payments deficit, then by necessity and in accordance with this, the relevant measures must be undertaken so that the balance of payments deficit should remain within planned limits. The Federal Executive Council cannot accept certain observations to the effect that it should view the problems of imports and exports entirely from the point of view of the balance of payments and that it should subordinate its policy to this. First of all, this is not the policy of the Federal Executive Council alone but rather the firmly defined policy of Yugoslavia's social plan and a number of the most important documents defining the policy of our economic relations with foreign countries. That is a policy which is very clearly defined in the sense that the import of goods must be within the framework of the balance of payments possibilities of the country, while the policy of debt-incurring abroad, and the degree of indebtedness, should be such as not to have an unfavorable effect on the foreign liquidity of the country and to enable the acquisition of loans on the best possible conditions and in keeping with the ability to pay them off.

The proposal of the resolution, Djuranovic stressed in his report, envisages a growth of the money not greater than the nominal growth of the social product. Taking into account the envisaged real growth of the social product and the growth of retail prices, the growth rate of the money should be in the region of 18 percent. The primary issue of money which suits the envisaged growth of the money should be directed toward the needs of the economy, momentarization and selective crediting, the fulfillment of legal commitments in the monetary sphere, covering the deficit of the federation budget and unblocking part of the deposit means of the sociopolitical communities.

It should be immediately stated that the needs are much greater than the possibilities afforded by such a framework of primary issue. The involvement of some primary issue means in covering the federation budget deficit makes it difficult for the function of the monetary-credit policy to produce greater effects in the realization of the goals which arise from the policy of economic stabilization.

Hence the greater commitment to take a rational attitude toward every dinar of primary issue. Experience gained this year indicates that in this respect there are problems, though it should be noted that greater expansion in monetarization has been realized than was envisaged. We are talking here about the greater than planned growth of money, which stimulates inflationary impulses and the unsuitably dynamic use of money, which has led to greater changes in economic input with the necessary money. Hence the need to guarantee greater coordination between the money movement and economic trends. This should be insured by a 3-monthly monitoring of this trend, the undertaking of measures with a view to developing the process of noncredit monetarization and a search for the optimum proportion in the distribution of money growth for the uses of monetarization and for selective crediting. All this should be done so that associated labor should also manage this part of social reproduction.

Djuranovic stressed that in the coming year, we are also favoring a policy of real, flexible and relatively stable rates of exchange for the dinar, which will maintain the necessary level of competitiveness for Yugoslav goods in foreign markets. The tasks in this sphere will still be complex. While taking into account the trends and changes in intercurrency world relations and in fixing the rate of the dinar, primary concern must be given to domestic economic trends and relations. Djuranovic mentioned here that our country in the last few years has successfully guaranteed foreign liquidity and the regular payment of commitments toward foreign countries. This policy will be consistently continued in the coming year, too.

As Djuranovic stressed in his report, power cuts have been a regular phenomenon since 1973--with the exception of 1977. The average annual power cuts have been larger--than in some years considerably so--than this year. The power cuts this year were restricted to 1 month, with the result that they had more serious consequences, especially domestic needs.

The energy situation obviously imposes a need to make maximum efforts in order to accelerate the construction of energy plants for the production and transmission of energy--and which are already under way--and coal mines, and capacities for the secondary refining of oil, in view of the fact that there is a great disharmony between the capacities of primary and secondary oil refining. At the same time, measures should be adopted for economizing on all forms of energy and consistently implementing them, and in particular conditions should be agreed for limiting the construction of energy capacities which consume black oil. In indicating these tasks and the most important and immediate ones in the coming year, stress should be laid on the important success which we have achieved with the construction of the first phase of the 380-kilowatt transmission network, which links up all the important producers and consumers of energy in the country, with the result that the entire electro-energy system has become one technical and technological system. To a considerable extent this alleviates the problems of energy shortages and directs us to the more intensive completion of the transmission network, which will make the whole system a more complete system in the technical and technological sense.

Next year, two more important tasks must be carried out: The preparation of the energy balance sheet for the period 1981-1985, and the accelerated continuation of the work already under way in the determination of the concept of long-term development in energy production to the year 2000.

In Djuranovic's opinion, the results achieved in the development of the agro-industrail complex in the first 3 years of the social plan are a solid basis for the development of food production in 1979, too, which is an important task in the plan and a factor in the stabilization of the overall trends of social reproduction.

While food production in the first 2 years of the realization of the agreement on the development of the agro-industrial complex increased somewhat faster than planned, this year, owing to unfavorable weather conditions, agricultural production was down, but in the food industry a high growth rate of production was maintained. Despite this, the production of basic agricultural products, with the exception of maize, and the market reserves available, will be sufficient to meet the needs of our population and we shall have certain products for export.

The fact is that in the past period better results have been achieved in the material products of food than in the arrangement of socioeconomic relations. This obliges us to make special efforts toward the faster development of self-management socioeconomic relations in this sphere through self-management agreement-reaching in the balance sheets of production and consumption, reserves and other elements, which will speed up the linkage of production, transport and consumption on income bases. In this sense, the need imposes itself with increasing force for the immediate participants in the development of the agro-industrial complex--the producers, transporters and consumers--to develop relations on income relations, thus replacing the great influence of the sociopolitical communities' organs in this sphere.

In realizing the policy of faster development for the economically underdeveloped republics and the Socialist Autonomous Province of Kosovo in the first 3 years of the medium-term plan, the economically underdeveloped republics have, Djuranovic stressed, enjoyed a more dynamic economic growth than the average for the country as a whole, while the development of the Socialist Autonomous Province of Kosovo has not been marked by the same features. On the contrary in the first years of the plan, a considerably lower growth rate came about and thereby the lagging-behind of Kosovo's development, which is not in keeping with adopted policy.

The somewhat more dynamic growth of the economically underdeveloped republics indicates that the adopted policy is yielding results. The greater possibility is thereby created for their fast development in 1979, thus bringing them nearer to the agreed orientations that the social product's growth rate in them should be 20 to 25 percent greater than the average for the country as a whole.

However, despite this, there are still many causes that are checking the fast development of the economically underdeveloped republics and the Socialist Autonomous Province of Kosovo. Some are: The low productive capacity of the economy and their own insufficient means for a more accelerated development; the higher level of indebtedness in the economy; lower efficiency of investment and productivity of labor; relatively greater losses in the economy; and the inadequate transfer of means, know-how and technology to these spheres.

All the indications are that the problems of the Socialist Autonomous Province of Kosovo are more complex than was imagined. This is also indicated by the fact that despite the fulfillment of all the agreed obligations and special and additional measures, the development of the province is proceeding at a much slower rate than the development of the country as a whole. In 1978, the growth of industrial production was especially low. All this imposes the need for the problems of the Socialist Autonomous Province of Kosovo to be examined in a more integral manner and on this basis to deduce the relevant assessments and conclusions. In accordance with the already agreed obligation, the Federal Executive Council, together with the Executive Council of the Socialist Autonomous Province of Kosovo, will carry out this examination and submit a report on it to the Assembly by the end of March 1979.

In Djuranovic's assessment, the consistent implementation of the policy established by the 1979 social plan represents a well-organized and efficient action program; first, by further intensive work on the application of new solutions pertaining to our system, and by enabling all institutions of our economic and political system to affirm associated labor and all its associations as well as possible and to control social reproduction as well as possible; second, by efficiently implementing economic policy measures under federal jurisdiction, the republics and autonomous provinces contained in the resolution, and by providing supplementary measures in the course of the year, depending on economic developments and results being obtained; third, by the constant, intensive and well-coordinated action of conscious subjective forces, without whose consistent work it will not be possible to create the necessary ideopolitical climate and the full political mobility for the consistent realization of the economic stabilization policy.

The success of the implementation of the social development policy in 1979 also depends decisively on persistent, well-organized and coordinated action along all three indicated lines. The weakening of action by any of them, or inadequate coordination of actions along these lines will not only render more difficult the implementation of the agreed policy, but could entail new, serious difficulties and instabilities because economic measures will not produce the results unless the self-management mechanism, that is to say all basic institutions of associated labor, does not operate effectively. For instance, the policy of expenditure in all its aspects will not be implemented if the self-management mechanism, the delegate system and consultations and self-management agreement-seeking fail to operate.

This year, too, we have achieved significant results in the consolidation of the defense capability of social self-protection of our self-management socialist community. We are building the all-people's defense and social self-protection system, as stressed by Comrade Tito at the 11th LCY Congress, as an integral part of the social system of socialist self-management, Djuranovic stressed. The involvement of all subjects in all-people's defense and social self-protection assignments has been considerably extended and consolidated. The combat capability of our armed forces--of the Yugoslav People's Army and of territorial defense--is greater than ever before, and together with all our manpower and material potential they are capable to efficiently conduct armed struggle and offer all other forms of resistance to any possible aggressor, and are ready to defend our independence, sovereignty and territorial integrity.

Parallel with the development of our armed forces and with the training of other social subjects to conduct armed struggle, defense plans are being successfully realized in all economic and social activities. Most sociopolitical communities have speeded up the development of civilian protection. The work to improve the system of planning and of materially securing all all-people's defense components has continued.

With the results, which we attained in the consolidation of the material basis and in socialization of all-people's defense and social self-protection, we have created the objective conditions enabling a faster development and consolidation of defense and protection as a regular function of our working people and citizens and of all other subjects of our society to be continued in 1979. In 1979, the process of modernization of our armed forces will continue. The Yugoslav People's Army will continue to be improved to conduct all forms of armed struggle so as to be capable at any time of foiling sudden aggression and enabling successful mobilization of all defense components of our society to take place. The preparation of a long-term plan for the development of our armed forces is under way, and so is that of medium-term development plans for the period 1981-1985.

Civilian protection in organizations of associated labor, and in local and sociopolitical communities, must go on being improved and rendered capable of saving and protecting the population and material, cultural and other wealth in peace and in wartime. Defense preparations were also stepped up in the economy, health services, education, science and culture, and in other social activities.

For a number of years, the state of security in our country, in Djuranovic's assessment, has been very good. This situation has been mostly contributed to by our successful sociopolitical and social and economic development based on self-management socialist foundations, and by the constant consolidation of the international position and reputation of our country. While in some countries terrorism, violence and other forms of threats to the security of the citizens are rampant, we can state that in our country the stability of our social system and of security in general is constantly growing.

In our social self-protection system and acting within the framework of their legal duties internal affairs' organs are successfully discharging their tasks for the protection of the social order, for guarding social property, peace and security of the working people and citizens. The activity of all social self-protection factors and increased efficiency of the organs of internal affairs is also reflected in the reduced volume of crime. For several years now we have been noting the tendency of a drop in the overall number of criminal offences. For instance, last year the number of such acts was 14 percent lower than 1976. There were no cases of a large-scale or serious violation of public order and peace.

However, we cannot be satisfied with the state of transport safety. Despite the efforts made to improve transport safety, the situation in 1978 did not improve to any great extent--according to preliminary data 3,682 people were killed and 48,825 people were injured in traffic accidents during the first 9 months of this year. But damage caused by fire is on the increase. In 1978, the damage will amount to about 1.5 billion dinars. Therefore, we must pay special attention to improving transport safety and fire protection.

Working consistently for the development of all-round cooperation on the foundation of independence, respect for sovereignty, full equality, noninterference in internal affairs and reciprocal interest, and proceeding from the basic principles of nonalined policy as its lasting orientation, Yugoslavia this year paid unceasing attention to the further promotion of bilateral relations with all countries and took an active part on the international plane in all the efforts made by peace-loving and democratic forces in order to hasten and decisively change unequal international political and economic relations, to stop the further weakening of the policy of detente, to prevent an escalation of the arms race, to devise peaceful solutions for existing crisis situations in individual regions and, in general, to strengthen the efforts for a peaceful solution to conflicts which have arisen between individual countries.

Summit and top-level political meetings with representatives of many countries from all parts of the world which, by their importance and influence, by far exceeded bilateral frameworks, the extension of economic, scientific-technical, cultural and other cooperation, regulation of relations in various areas and so on, concluded by virtue of agreements, represent the undoubted results of this internationalist policy of our country.

We have paid special attention to the all-round development of cooperation with our neighbours, trying, at the same time, with joint efforts and goodwill, to find solutions to to outstanding questions pertaining to our relations with individual neighboring countries.

Djuranovic stressed that Yugoslavia had the honor and responsibility to play host to the nonalined countries' foreign ministers' conference held in Belgrade in July this year. We are deeply convinced that the unity and solidarity of nonalined countries fully manifested at this conference, and its decisions relating to all essential international questions and directions of the activity of the nonalined movement, represent a major contribution to the consolidation of the role and action capability of nonalined countries as an increasingly influential factor in present-day international relations.

Our country was an active participant in the preparations for and in the work of the special UN General Assembly session on disarmament, whose initiative was put forward by President Tito at the Colombo nonalined countries' conference.

Djuranovic recalled that in March this year, the Belgrade CSCE meeting ended which, despite the unfavorable international context, secured the continuity of the CSCE process, and that the policy of detente, security and cooperation in Europe on the foundations of the jointly accepted Helsinki Final Act, represents a realistic and irreplaceable alternative.

As always in this year's foreign political activity of our country and its prominent role in the international arena a great contribution has once again been made by Comrade Tito, president of the republic, whose role and reputation in the world is generally recognized.

Without now going into a review of the international situation, I should like to note that next year, too, it will be complex and encumbered by many contradictions. This is why we must be fully aware of the conditions and circumstances in which we shall operate on the international plane. The status and role of our country in the world, especially in the nonalined movement, imposes numerous commitments on us and very complex and major tasks on the international plane. I am thinking primarily of the need for our further activity to be channeled into the realization of the Colombo conference of nonalined heads of states and governments. As is known important meetings of nonalined countries will be held in 1979; in January the ministerial meeting of the coordination bureau in Maputo, dedicated to problems of southern Africa; in mid-1979, a ministerial meeting of the coordination bureau in Colombo, devoted to the immediate preparations for the summit conference; and finally the sixth nonalined countries' summit will be held in Havana in September. Together with all other nonalined countries, our country will make its full contribution to the successful preparation and holding of the conference so that on the basis of a democratic coordination of views the interests and the aspirations of the movement as a whole can come fully to the fore.

The preparations and work of the conference in Havana should take place against the background of preserving the unity of the nonalined movement and foundations of its principled extrabloc orientation in the interest of all nonalined countries. Because this is an expression of their lasting orientation to consolidate and strengthen the movement in terms of action as an independent factor in international developments.

Djuranovic stressed that Yugoslavia will continue to work comprehensively for the continuation of the process of the relaxation of international tension both in Europe and in the Mediterranean as well as on the broader international scene. It will work toward detente--which has already been stagnating for some time--being expanded to all countries and regions of the world and embracing the solution of all key international issues, along with the equitable participation of the broadest international community.

At long last, he said, an end should be put to the senseless arms race and a gradual start made on the process of real disarmament; the eruption of fresh hotbeds of crisis should be prevented, while existing crises--what we have in mind in particular is the Middle East crisis--resolved in a comprehensive and just manner; and the struggle for the establishment of new, more equitable international economic and political relations should be continued and the United Nations should be the place where all crucial international problems are resolved.

What is ahead of us is significant activity and tasks in the sphere of the struggle for a new international economic order. In this context there will be a whole series of significant international meetings which will deal with these problems, such as the meeting of the group of 77 developing countries at ministerial level in Tanzania in February 1979, the fifth conference of UNCTAD in Manila in May, as well as the preparations for the UN General Assembly special session regarding the issues of the new international economic order in 1980.

Significant negotiations will also take place in 1979 on the conclusion of a new agreement on cooperation between Yugoslavia and the European community. In the course of present negotiations, certain problems have cropped up on which no agreement has been reached. This means that significant work awaits us in this respect next year.

At the same time, Yugoslavia will continue its efforts aimed at the further promotion of all-round cooperation with other countries. In order that we can achieve greater results in this sphere and make use of many possibilities, we must insure even better organizational standards and greater coordination which would not restrict but would, in fact, encourage and link up initiatives and the interests of all our republics and autonomous provinces, as well as of all other subjects and self-managing structures. In these efforts, it goes without saying, continuous attention must be paid to our relations with our neighbors and all other countries in Europe and also with all nonalined countries and developing countries, because, despite many of our efforts and practical measures, there are countries and even regions where our bilateral cooperation is lagging behind, in particular in relation to our joint political activity within the nonalined movement in the United Nations and elsewhere.

Djuranovic said at the end of his speech that we are aware of the fact that all these are difficult, complex and responsible tasks but we are also firmly convinced that this is the right road.

Ljubicic Addresses Federal Assembly

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[Text] Belgrade--In connection with the review of the draft federal budget for 1979, Army Gen Nikola Ljubicic, federal secretary for national defense, informed delegates in the Federal Assembly about a number of questions regarding the development and combat capacity of our armed forces and defense preparations for the country and society. All these questions must be examined in accordance with the general political and socioeconomic trends in our country, for the country's defense depends on overall social stability and achievement on the political, economic and social level, said Nikola Ljubicic.

The positive processes for further improvement of our sociopolitical and economic system and results in economic activity are contributing to the increasingly great stability of the country. This has a favorable effect on the overall situation of working people and citizens, on the country's political situation and the development of socialist self-managing relations, and therefore also on the increase of the country's defense capacity. We have achieved all this in the conditions of a very complex economic situation in the world.

It is certain that in addition to the influence that politics and economic factors have on defense policy, an even greater influence is wrought by the trends and development of the foreign policy situation. The time in which we live is full of uncertainty, and wars, pressures and other forms of threats are a continual menace to peace.

There are many facts which indicate that the international situation is becoming even more complex.

Arms expenditures are continually increasing and military expenditures approach $400 billion. In all NATO countries plans have been adopted envisaging the further increase in military budgets. One third of the overall military expenditures is intended for research and development, production and acquisition of new arms and military equipment. About 22 million people are under arms in the world and about 15 million in paramilitary formations. This number is not only not diminishing but increases yearly.

The greatest concentration of military power is in Europe. This is a positive arsenal of various types of arms.

Very intensive activity in the sphere of maneuvers is developing in Europe and the Mediterranean. In one NATO exercise alone this autumn encompassing 30 joint and national exercises, about 350,000 men, 3,000 combat aircraft and 200 warships took part, and the whole area of Western Europe and the littoral was involved.

The armed forces of all our neighbors are caught up in the process of modernization and qualitative strengthening. The increasing military presence of the great powers can be felt in a number of them.

Our country's position, its political stability, strength and defense capacity are assessed in a more realistic way, but owing to the development of the world situation, and particularly the situation of our neighbors, the interest of the great powers and blocs in our strategic territory is increasing. All this demonstrates the need to strengthen our country's unity and to develop its defense system, and demands new efforts in accordance with the resolution of the 11th LCY Congress on the development and strengthening of all people's defense and social self-protection with the tasks which our supreme commander poses before us.

It is understandable that the development of the international situation--in which mistrust continues to exist, where the struggle for prestige and the assertion of authority is dominant--stimulates the further accelerated development of armed forces and an increase in the role of the military factor in world policy. The whole world is engaged in intensive arming, and with the most modern combat means, at that. The most developed countries are certainly in the lead here, their technological capacity for the development and creation of the most varied combat resources being the greatest.

In addition to much-talked-about weapons such as the neutron bomb and cruise missiles, it is known that work is being done on using lasers as weapons, and meteorological, geophysical and other sciences are being studied to find out how they too could be used for the war purposes.

Increasingly new and more modern types of aircraft with greater speeds, range capacity and bombardment efficiency are being accumulated in the world; in the same way an increasingly great number of tanks and transporters are being produced, which every year become more modern in design and have increasingly great combat capacities; and the manufacture and improvement of various types of missiles and artillery weapons do not lag behind these other resources. To all this must be added the race to produce antitank and antiaircraft weaponry and the production of modern electronic means, which in addition to new types of explosives give existing weaponry considerably greater destructive and fatal power.

In the field of nuclear weaponry, such a concentration has been achieved that there is more of it than is necessary for mutual annhilation, even taking into consideration the fact that one part of this arsenal might be destroyed by the opponent.

Therefore there remains the question: Whom does all this serve and what purpose? In what direction is the world moving, toward peace or war? It is obvious that such great arms' quantities and their variety serves not only to repel, but also serve as a factor of threat and prestige. We are vigilantly monitoring such a development of world armed forces and around our country, and we are undertaking measures to ensure that we do not lag behind to a considerable degree in the equipment of our armed forces.

The LCY and our socialist community devote constant attention to the development of the armed forces, for the country's independence and its freedom constitute the sole alternative for our society to realize its self-managing socialist development.

Nikola Ljubicic then spoke about our armed forces' preparations for defense. I can inform you that in the past year we have exerted significant efforts to make the system of all people's defense and territorial defense more efficient and to increase its combat effectiveness. Where the armed forces are concerned, these are technically and generally better modernized.

Parallel with work on technical modernization, considerable attention has been devoted to accomodation and maintenance of military technology, to leadership and command, and also to the improvement of the organizational and formation structure of units and commands, to the elaboration of an exercise of the mobilization system, to the modernization of training and to the consolidation of moral and political unity and so forth. Bearing in mind the words of Comrade Tito and the policy of the League of Communists that man constitues the greatest value and force in our defense, we have struggled for the most correct possible relations between officers and men, while having constant concern to increase the standard of all members of the army.

This has contributed to an increase in the combat readiness of the Yugoslav People's Army [YPA] which is the framework of our entire defense system and the school for the creation of professional and militarily capable cadres, both for their own needs and for the needs of territorial defense. Over this period further efforts have been made in the organization and equipment of units and commands of the territorial defense, which has become the million-strong force of our system of all-people's defense and social self-protection.

In addition to constantly improving the YPA and territorial defense, we are improving the organization and functioning of the other components of all-people's defense--civil defense and the reporting, reconnaissance and warning system.

In addition to preparations for arms, that is for the armed forces, sociopolitical communities, work organizations and other social subjects have exerted great efforts in order that the whole country may be organized and prepared for defense with all its potential. The numerous exercises carried out this year have shown the great capacity and the great state of preparedness for defense of the sociopolitical and economic system and of social activities, said Army General Ljubicic.

The development and capacity of the armed forces and the preparation of the country for defense is accordingly being developed in the spirit of our doctrine of the all-people's defense war and our political strategy.

This means that we are preparing both our armed forces and our whole community to be able to act at any moment in defense of their independence and of self-managing socialist society.

We consider the financial resources envisaged by the budget for the further YPA development and equipment to be realistic. These are in harmony with the size of the present army and correspond to our material possibilities. It is true that modern combat resources which are today in the possession of neighboring and other armies are extremely complex ones with great combat capabilities, but they are also expensive. They are all the more expensive when produced in small series. As has been said before we must maintain standards, we must have modern weaponry, for in case of aggression we dare not allow our people to fall into an inferior position. This is dangerous in war, and for this no one will forgive us.

In the arming of land forces we have adopted and are producing integrated infantry weapons and munitions, we are mastering and producing a number of models of antitank and anti-aircraft weapons. In addition we have introduced several types of mortars, artillery weapons, multi-barrelled missile launchers, and for all these we manufacture high quality munitions. We have manufactured a very modern troop carrier and with regard to armored technology we will go yet further, in order to increase to an even greater extent the maneuver and strike capacity of our units.

Making use of scientific results we are improving the ballistic and other technical potential of our weaponry, and by developing higher power explosives, by utilizing electronic, laser and infrared means and installations we are increasing the range, speed and precision of hitting targets on the battlefield.

In this way we are creating very modern land forces, the maneuver and firepower of which are being continually strengthened and which are ready to oppose all known combat systems and armed forces of the enemy.

Our infantry divisions now have a fire capacity of 50-71 tons of steel a minute, which is on the level of the firepower of other countries' divisions.

For the protection of our air space, of the armed forces and territory of Yugoslavia, we are developing a modern air force and air defense. We now have at our disposal a very solid force of fighter aircraft, and we are producing also new types of aircraft and helicopters in the country. At the same time as developing air technology we are developing very solid methods of air defense. In this area too we have guaranteed a high degree of combat protection from air attack.

With the development of the air force and air defense we are successfully protecting our air space, but with regard to the fact that other armies are developing missiles of various ranges, it is essential that we should have at our disposal means for defense against these, and we are therefore devoting attention to this form of defense also.

In order to successfully protect our air space and to defend our territory and armed forces from air attack, we must continue work on modernization of forms of air force and air defense.

For the defense of our Adriatic Sea area, martime communications and our coastline, we are arming our navy with ships and submarines of various sizes and tonnages, with coastal defense and reconnaissance means.

In recent years the navy has developed and produced several types of very modern ships and submarines, and also a number of other combat means. We must continue with such a trend of modernization of our naval forces, for only thus can we successfully monitor and protect our Adriatic waters.

We are developing leadership and command of the armed forces as part of the system of leadership of all-people's defense and social self-protection.

Full attention is devoted to the training of all command levels, from those having a strategic and operational role and importance to the tactically lowest levels, in order that they may fulfill their role as successfully as possible. Modern technical means of communication are guaranteed for the work of all commands and units.

In addition to all this we mention that we have reduced all larger commands in the Federal secretariat for national defense by more than 20 percent in the last year. We have made up work efficiency by better work organization, increased professional training, and also by greater work discipline.

By means of all these measures we are striving to make members of the armed forces essentially, not merely formally, active factors and subjects in decision making and in the development of their units and institutions. On the whole we consider that we have made considerable progress in the development of the services of the rear and their activities, so that we are today far better equipped and supplied in the event of aggression than we were before. We must continue such activity in the coming year, too.

Ljubicic then touched on the training of the armed forces and people. In the event of aggression we know that the attacker must be superior in both numbers and technology. This is for us nothing new: It was this way during the national liberation war.

However, both then and now our strength lies in the moral and political consciousness of our people, in the determination to defend our self-managing socialist society and to defend the heritage of our revolution. Here our strength and superiority must lie in people's greater training to use military technology and in the command's readiness to use all advantages offered to them by our method of conducting an all-people's defense war. In all this we must be superior to the aggressor.

In YPA units training is carried out through military-professional training and the moral and political education of men. By means of training and education we strive to acquaint men and young officers with the achievements in the construction of our self-managing socialist community and to form whole socialist personalities with all-round development.

For officer training we have a developed system of military schools--from secondary to higher level--which are on a very high expert level. Various profiles of cadres for the needs of the armed forces are trained in these schools. The fact that at the moment about 1,000 foreigners annually, mainly from nonalined countries, study in our country shows that our military schooling system enjoys high respect in the world. Also at the center of our attention is training the people, which is carried out in various forms. Particular attention is devoted to training young people. Over the last 3 years about 120,000 students have been trained in YPA teaching units. About 4,000 regular and part-time students study the five courses and faculties of all-people's defense.

We are trying to train the whole population of our country in various ways, which has until now given satisfactory results.

We are developing the military industry in accordance with the needs of the armed forces, technical conditions and the economic possibilities of the country, said Ljubicic.

However not only the capacities of the specifically military industry are engaged in production for the needs of the armed forces, but the whole Yugoslav industry is more or less involved in this.

Our own development and production of arms and military equipment have a positive effect on the country's economic development, stimulate modern technical solutions and innovations and to a very considerable degree guarantee the development of domestic scientific and productive potential.

By investing resources in research and development, reconstruction and modernization of capacities for production of arms and military equipment, production of reproduction materials and other raw materials, we hope to guarantee a modern technological level for all capacities. In this way we are creating the necessary conditions to produce the greatest part of our resources in the country which means an even greater independence of imports and greater reliance on our own strength.

With regard to the fact that science is increasingly becoming the motive force of overall development, in the army attention is increasingly being devoted to the application of sciences both in the production of arms and military equipment and for the needs of conducting a war.

Numerous institutions and cadres are working on the development of military-theoretical thought in the sphere of military skills. Thanks to this we have elaborated all doctrinal documents on the conduct of an all-people's defense war, and in accordance with this have estimated the complement and size of armed forces.

In the field of technical sciences, we are following world developments and achievements. We have utilized all disposable potential for the army's needs. Now we are making use of 56 institutes in the country. In the spirit of our strategic orientation we have sought our support in our own forces. The initial results have been good and we envisage yet greater successes.

The military relations which we have been developing in recent years have multilateral political, defense and economic significance. We are particularly trying to promote relations and cooperation with the nonalined countries and with developing countries, and 78.5 percent of our exports are apportioned to them.

Military and scientific and technical cooperation with foreign armies is being developed through the offering of our scientific and technical and expert military aid and services, arms sales, training and improvement of cadres, offers of engineering services in project construction, information on scientific and technical achievements, technology transfer and joint investment in research, development and production of arms and equipment.

In the realization of all forms of cooperation good results have been achieved which is the guarantee that the coming period may be even greater.

We are particularly concerned with the standard of soldiers and we are undertaking measures that this should rise in accordance with our real possibilities.

We consider that quality has been ensured in the diet. We have improved clothing, created the basic prerequisites for more successful health care and have improved the standard of accommodation for men in barracks. We are creating increasingly better conditions for the cultural and sporting activity of soldiers, reception of recruits and so forth. All these measures have a positive effect on the moral and political state in units and on the activity of the men.

Taking as our starting point social contracts and self-managing agreements, and following the average incomes in society, we have calculated that this year the standard of the permanent complement will be preserved. In order to accommodate this complement, large resources are allocated. We expect that this year about 4,000 apartments will be completed, which is less than planned, as a result of delay on the part of building operatives. Next year we envisage the construction of another 3,800 apartments.

Parallel with the increase of pay to active-service military personnel, pensions to military personnel have been coordinated, as have salaries to persons receiving financial remuneration.

The material position of civilians in the service of the YPA has been coordinated with the demands of military service and the trends in personal incomes of workers in the same region.

The application of young people to military schools is slightly more numerous this year compared to last year. The national structure of candidates has been improved, although certain nations and nationalities are still not proportionally represented. Further measures must be taken in this direction in order to correct the situation. We hope in particular for greater commitment on the part of sociopolitical communities in this sphere and also on the part of the leadership of the League of Communists, Ljubicic said.

The funds which are allocated for the needs of the defense of our country are not small. However, I wish to remind you that we are one of the countries which allocates the least funds per capita to defense, Ljubicic stressed.

With regard to the fact that an unprecedented arms race is being conducted in the world, and that a very great military industrial potential has been committed, that prices of technical resources are annually rising by up to 30 percent, and some means are increasing in price 3 or 4-fold or more--as is the case for example with the tank which has recently increased in price from $200,000 to $1 million, or the missile from $1,500 to $10,000--and that personal incomes and so forth are increasing, it is essential that the funds allocated for the needs of the YPA should be examined in this context.

With regard to the fact that there exist in the world forces who dislike our system in Yugoslavia and who are working toward Yugoslavia's destabilization, we must continue in a more organized fashion to develop and improve our system of all-people's defense and social self-protection and to develop our armed forces.

The strategic orientation of the development of the armed forces next year will be the further increase in combat readiness, with the focus on development and production of new combat systems, development of cadres, training, accommodation of and repair of technology and increase of the standards of men and officers.

In order that these results may be accomplished we shall have to economize to the maximum degree, to conduct business affairs more rationally, and to reduce investment consumption and a number of forms of consumption to within narrower frameworks.

Particular examination will have to be given and solutions sought for a number of new and larger programs which we envisage in the sphere of armored, air and missile technology.

I have stressed that the situation in the world is very complex and full of uncertainty. At the 10th LCY Congress Comrade Tito said: "We do not live outside of space and time but in the severe reality of the modern world" in which "there is not a single territory of which it can be said with certainty that it is out of the danger of martial conflicts."

This indicates that while there exist in the world forces, which wish to impose by force their points of view and to try and subordinate by force other states and peoples, those countries which wish to live in freedom which wish to defend their state integrity, must devote their full attention to defense forces. We must therefore not only in the coming year but incessantly work to build up the system of all-people's defense and social self-protection so that it may become a firm defense and self-protection mechanism and a protection against violations of our internal relations and political stability.

Today therefore, tomorrow and always when it is necessary, our armed forces in company with the people will defend the heritage of the revolution, will defend our crystal-clear policy which is the policy of nonalinement and of socialist self-managing development, for we are conscious that the more ready we are for defense, so much greater are the conditions for peace. The possibilities that anyone can encroach upon our independence and that we become the victims of aggression is negligible.

The members of the YPA are always ready to accomplish their part of the tasks, Nikola Ljubicic said at the end of his speech.

Kostic Address on Budget

LD262312Y Belgrade TANJUG Domestic Service in Serbo-Croatian 1610 GMT 26 Dec 78 LD

[Excerpts] Belgrade--I would like to point out that the concept of the federal budget, in its fundamental elements, is in line with the policy determined in the draft resolution and that this has also been stressed by the president of the Federal Executive Council in his report. This refers, Petar Kostic, federal secretary for finance said in his report to the delegates, members of the Federal Chamber of the SFRY Assembly:

To an increase in the budget which is below the growth of the social product; to the fact that on the whole the level of customs protection which we had in 1977 and in 1978 will be retained next year, which means that in this respect the conditions for economic activity will not be made worse; that the policy on the sales tax in its fiscal function will be carried out with the greatest restraint; and that any corrections which might possibly be carried out should be based primarily on economic needs.

With regard to expenditure, this year's federal budget also reflects the established policy of defending the country's security and independence; of the long-term and current foreign policy of Yugoslavia; the foundations of the policy on the protection of the disabled and veterans' as a part of the indivisible system; the policy of solidarity among nations and nationalities in the incentives for a more rapid development of the economically underdeveloped republics and autonomous provinces through a system of supplementary resources in the budget is a direct function of the policy established by the resolution for next year.

Before turning to some comments which I wish to make in connection with the proposed federal budget for 1979, allow me to deal briefly with some issues linked with the proposed rebalance of the 1978 federal budget.

This step is necessary because the balance of revenues and expenditures of the 1979 federal budget is in many respects dependent on the real assessment of the implementation of these elements in 1978.

To rebalance the 1978 federal budget it is proposed that we increase total expenditures by 1.5967 billion dinars. This represents federal obligations for which financial resources have not been insured in the budget for this year.

The total of federal expenditures for 1978 is being increased in order to regulate the unsettled obligations arising from the promotion of foreign trade in 1977, which amounts to 1.1624 billion dinars; to coordinate military pensions with the salaries of military persons on active service in 1978, which amounts to 280 million dinars; to provide additional resources for noneconomic investments of the federal customs administration, which amounts to 40 million dinars; and for obligations in earlier years for the subsidy of maritime freight charges in imports, which amount to 114.3 million dinars.

Federal Secretary Kostic then spoke about the 1979 federal budget. The draft federal budget for 1979 envisages that total expenditures in the amount of 99.4099 billion dinars be met from the following sources: Original federal revenue in the amount of 62.5222 billion dinars; contributions from the republics and provinces, in the amount of 28.4363 billion dinars; and, credit from the national bank in the amount of 8.4514 billion dinars.

Using part of the primary money issue to finance federal needs could not be avoided in 1978. However, in 1979, this issue will be used by 11 percent less as compared to that portion of the issue that had to be used in 1978. This is because we have created a set of conditions under which any future use of the primary money issue to finance the deficit in the federal budget can be reduced to a considerably lower level or eliminated completely.

Petar Kostic then spoke briefly about the attitude of the Federal Executive Council toward the increase in the budget this year and also about some problems pertaining to the system of financing used in the federation.

The rate of increase in the federal budget amounts to 18.7 percent as compared with the rebalanced budget for 1978. The share of the federal budget in the nominal social product of Yugoslavia will be about 9.4 percent.

If one takes into consideration the resources for noneconomic investments, the share of which in total expenditures is 2.19 percent, and the resources allocated to settle the obligations of the federation from earlier years, the share of which is 7.32 percent--that is expenditures envisaged by specific laws--then it emerges that the committed resources of the 1979 federal budget amount to 90.72 percent.

Included in other obligations of the federal budget determined by legislation but whose amount is not specified beforehand by the legislation are: Resources for the work of federal organs and organizations of the federation, whose share in the federal budget is 7.04 percent; expenditures for current financing of the federal directorates for goods reserves, with 1.06 percent; activity of sociopolitical organizations of the federation, with 0.51 percent.

In line with the constitution and law on associated labor, as well as with the orientations of the LCY on all aspects of consumption, the fact that all revenues come under the control of workers in associated labor, it will be necessary, Kostic stressed, to insure that in the next period all matters involving the use of the federal budget and the various aspects of all allocations be discussed more fully and directly by associated labor.

Law on Councils; Budget Passed

LD270047Y Belgrade TANJUG Domestic Service in Serbo-Croatian 1142 GMT 26 Dec 78 LD

[Excerpts] Belgrade--Speaking in favor of the proposal to adopt the law on social councils, Ela Ulrih-Atena, chairman of the Federal Chamber's Committee for Sociopolitical Relations, stressed that this committee, which was in charge of preparing this proposal, supported its adoption. The committee noted that the councils, as forums for the broadest democratic consultations and exchanges of views, would encourage the development of social self-managing relations. The councils will insure broader social influence on the implementation and functions of power. They are not being set up as some kind of parallel structure--that is, as organs with specific functions and powers which would in any way whatever restrict or call into question the independence and responsibility of the exponents of rights, duties and responsibilities established by the constitution. The social councils are an organized form of democratic cooperation and of social and political coordination among the organs of sociopolitical communities, sociopolitical organizations and self-managing organizations and communities.

It was pointed out among other things, that the extent to which, in the functioning of the councils, the pluralism of self-managing social interests is being manifested--that is the extent to which some social councils, with their composition and work make the manifestation of various concepts regarding the resolution of individual issues possible--should be discussed in particular.

One of the fundamental characteristics of the concept of social councils lies in the fact that they must rely on marxist theoretical thought and on all scientific and expert knowledge necessary for appropriate decisionmaking with regard to the affairs of self-management and social management. The committee for sociopolitical relations also noted that the application of the principle of a 1-year mandate was in line with the character and method of implementing the functions of social councils. The introduction of this principle into the work of the councils would increase both the individual as well as the collective responsibility and promote the efficiency of work of these social factors.

Following the joint session of both chambers, the Federal Chamber of the SFRY assembly heard, under Dobroslav Culafic, the report on the proposed changes and supplements to the budget for this year and on the proposed budget for 1979, submitted by Petar Kostic, federal secretary for finance, by Army Gen Nikola Ljubicic, federal secretary for national defense, and by Milan Vukasovic, president of the federal committee for questions of the veterans' protection. The Federal Chamber then adopted the proposed changes and supplements of the 1978 federal budget, with the changes and supplements to the financial plan of the federal directorate for reserves of industrial products for 1978 and the changes and supplements of the financial plan of the federal directorate for reserves of foodstuff for 1978.

The proposed law on implementing the federal budget for 1979 was also adopted.

The proposal for the adoption of the law on social councils, which was adopted by the delegates of this chamber, was submitted by Ela Ulrih-Atena, chairman of the committee for sociopolitical relations.

The proposal for the adoption of the law on the changes and supplements to the law on crossing the state border and on movement in the border area was also adopted.

CHAMBER OF REPUBLICS, PROVINCES ADOPTS DEVELOPMENT RESOLUTION

LD270058Y Belgrade TANJUG Domestic Service in Serbo-Croatian 1415 GMT 26 Dec 78 LD

[Excerpts] Belgrade--With a clear orientation toward the further stabilization of economic trends, consolidation of the material base of associated labor and reduction of all forms of consumption to frameworks of the income realized, the SFRY Assembly's Chamber of the Republics and Provinces, chaired by Zoran Polic, adopted today the resolution on the socioeconomic development of the country next year.

Ljubisav Markovic, chairman of this Chamber's Committee for Social Plan and Development, said in this context that the resolution represented the work of real social cooperation by all subjects in agreement-seeking negotiations. All the assemblies of the republics and provinces have clearly come out in favor of the economic stabilization policy.

The Chamber determined the changes in the law on the total volume of the expenditures of the federal budget for 1978 and the supplement to the decision on establishing the revenue from customs and other import levies which are being handed over this year to the interest community of Yugoslavia for economic relations with other countries. The change in the decision on determining the total amount of foreign currency for the needs of the federation this year was also adopted, as was the supplement to the law on federal administrative stamp duties. With the changes to the law on the quality control of agricultural and industrial products in foreign trade, which were adopted today, the control on the exports of these products is made stricter.

The session then determined the proposed decision on the goals and tasks of the primary issue and monetary policy and of joint foundations of the 1979 credit policy. The delegates also adopted the proposed law on determining the total volume of expenditures of the federal budget for next year. The rapporteur of the finance committee, Mustafa Sefo, said in this connection that the volume of expenditures was lower than the planned nominal increase in social product and that the additional burdening of the economy had been avoided.

During the adoption of the volume of expenditures of the federal budget, the Chamber of the Republics and Provinces endorsed the conclusion, according to which the Chamber would, in order to resolve the problem of the functioning of the social services in the Socialist Autonomous Province of Kosovo which had arisen, discuss in detail by the end of the first quarter of next year at the latest, the material position of the social services in the province and propose a solution of this issue. The relevant materials and proposals will be prepared by the Federal Executive Council together with the Executive Council of the Assembly of the Socialist Autonomous Province of Kosovo.

Foreign Economic Relations

LD272236Y Belgrade TANJUG Domestic Service in Serbo-Croatian 1920 GMT 26 Dec 78 LD

[Text] Belgrade--After several hours of coordination work in the committee for economic relations with foreign countries, the Chamber of the Republics and Provinces of the SFRY Assembly tonight approved the decision on common foreign currency policy, estimates of the Yugoslav balance of payments and estimates of the Yugoslav foreign currency balance of payments for 1979. This has rounded off the 2 months of work on the coordination of the most important plan documents tied to our country's policy of economic relations with foreign countries in 1979.

The estimates of Yugoslavia's balance of payments next year are based on the growth of the social product of all our economy by about 6 percent, on improved productivity of labor, on the improved quality of economic management, on consolidation of export capability of our economy and on faster import substitution. Of course, the balancing of economic cooperation with individual countries and regions coupled with a further reduction of the deficit of our country's balance of payments has an important place in all this.

TITO SENDS CONDOLENCES ON BOUMEDIENE'S DEATH

LD271130Y Belgrade TANJUG Domestic Service in Serbo-Croatian 1022 GMT 27 Dec 78 LD

[Text] Belgrade--President of the Republic Josip Broz Tito has sent the Council of the Revolution of the Democratic and Popular Republic of Algeria the following telegram:

"We were deeply shocked to hear the news of the death of Houari Boumediene, president of the Democratic and Popular Republic of Algeria and president of the Council of the Revolution, leader of the Algerian revolution and prominent statesman, great fighter for the liberation of the peoples from the colonial yoke and steadfast and consistent champion of the policy of nonalinement.

"This great loss has profoundly affected all true champions of peace and independence, and of equal international cooperation and progress in the world. The peoples of Yugoslavia deeply share the sorrow of the friendly Algerian people and express to them the most sincere sentiments of solidarity.

"We still have vivid memories of the recent stay of President Boumediene in Yugoslavia and of the talks we had on that occasion which, as always, represented a new incentive for and contribution toward the development of cooperation between the Socialist Federal Republic of Yugoslavia and the Democratic and Popular Republic of Algeria, and toward further rapprochement between the two friendly countries.

"All of us who had an opportunity to meet President Boumediene and to become acquainted with him personally will be left with an indelible memory of him as a humanist, as a fighter for the noblest ideals imbuing the nonalined movement, and as a true protagonist of the establishment of more equitable relations between the countries and peoples in the world.

"In connection with this irreparable loss, on behalf of the people of Yugoslavia, the SFRY Presidency, the League of Communists of Yugoslavia and personally, I convey to you expressions of my most profound condolence."

HODZA, VRHOVEC TO ATTEND BOUMEDIENE FUNERAL

LD272100Y Belgrade TANJUG Domestic Service in Serbo-Croatian 1832 GMT 27 Dec 78 LD

[Text] Belgrade--The burial of the mortal remains of Houari Boumediene, president of the Algerian Democratic and Popular Republic, will be attended by Fadil Hodza, vice president of the SFRY Presidency, in the capacity of personal envoy of the president of the Republic, and head of the SFRY delegation. In the delegation are: Josip Vrhovec, federal secretary for foreign affairs; Berislav Badurina, chef de cabinet of the president of the republic; and Nedeljko Zoric, SFRY ambassador in Algeria.

PRESIDENCY APPROVES REPORT ON TIES WITH OPEC

LD271728Y Belgrade TANJUG in English 1330 GMT 27 Dec 78 LD

[Text] Belgrade, Dec 27 (TANJUG)--At its session here today, the Presidency of Yugoslavia discussed and approved (?the) Federal Council for International Relations' information on Yugoslavia's relations with OPEC member-countries. The Presidency approved measures proposed for further expanding and promoting all forms of Yugoslavia's cooperation with OPEC countries.

OPEC countries being active in the non-aligned movement, the Presidency set out in particular the importance of the promotion of cooperation in the broader efforts of the non-aligned and developing countries and their struggle for establishing more equitable international relations and cooperation and a new international economic order.

SERBIA'S VLASKALIC REPORTS ON ECONOMIC PROBLEMS

LD272030Y Belgrade TANJUG in English 1704 GMT 26 Dec 78 LD

[Text] Belgrade, December 26 (TANJUG)--At its session today, the Central Committee of the League of Communists of Yugoslavia Constituent Republic of Serbia discussed economic stabilization and measures for strengthening the financial position of enterprises. At the session, Serbia's Central Committee President Tihomir Vlaskalic pointed to the successful fulfillment, in many spheres of economic and social life, of the targets set in Serbia's current social and economic development plan. In the past 3 years, said Vlaskalic, the development of production forces has been relatively dynamic: The national product increased at an average annual rate of 6.4 per cent, industrial production by close to 8 per cent, the number of employed by 4.4 per cent and the living standard by 6.1 per cent.

In Vlaskalic's assessment, however, certain departures have also emerged in the process of fulfilling the goals set. Thus, intensified inflationary pressures are again evident this year. The economy's accumulation and production capacity has declined in the past few years owing to the excessive appropriation of income from associated labour and the slow growth of productivity.

Vlaskalic cited as one of the reasons of economic instability the increased level of the economy' credit indebtedness and the swift growth of collective and general consumption beyond original projections.

Valaskalic pointed out that personal income is growing at a faster rate than productivity. This requires that the system of generating and distributing income be further perfected, while ensuring the dependence of personal income on the results of work performed. He further cited the excessive growth of capital expenditures as one of the basic causes of instablity and inflation.

ITALIAN FOREIGN MINISTER TO VISIT IN EARLY JANUARY

LD281220Y Belgrade TANJUG in English 1130 GMT 28 Dec 78 LD

[Text] Belgrade, December 28, (TANJUG)--At the invitation of Yugoslav Foreign Secretary Josip Vrhovec, Italian Foreign Minister Arnaldo Forlani will pay official visit to Yugoslavia in the first half of next January.

PROGRAM OF COMMODITY EXCHANGE WITH PRC AGREED ON

LD271744Y Belgrade TANJUG Domestic Service in Serbo-Croatian 0738 GMT 27 Dec 78 LD

[Text] Peking--The total commodity exchange between Yugoslavia and China next year will amount to over $400 million, which is twice as much as in 1978. This program of commodity exchange was agreed upon in Peking during trade negotiations on the fixing of export and import commodity lists.

The talks were held in Peking from 21 to 26 December by the delegations led by Dusan Stepancev, deputy federal secretary of foreign trade, and by Chen Chieh, deputy Chinese minister of foreign trade. Both sides displayed readiness for and interest in speeding up economic cooperation and commodity exchange with the result that a great number of new products was incorporated into commodity lists. In addition to discussing commodity lists for next year, the delegations assessed the possibilities for an increase in commodity exchange in 1980. In so doing, both sides noted interest in and the opportunities to further promote commodity exchange.

TERRITORIAL SEA TO BE EXTENDED TO 12 NAUTICAL MILES

LD280417Y Belgrade TANJUG in English 1907 GMT 27 Dec 78 LD

[Text] Belgrade, December 27 (TANJUG)--Yugoslav Federal Executive Council adopted at a session today a bill on the amendments to the law of the coastal waters, continguous sea and continental shelf of Yugoslavia, to be submitted for consideration and adoption to the Assembly of Yugoslavia. The bill proposes the width of the territorial sea of Yugoslavia be extended from the present 10 to 12 nautical miles.

BRIEFS

BORBA EDITOR--Sarajevo--The Presidium of the Bosnia-Hercegovina SAWP republican conference today appointed Marijan Marinic, until now editor of an information program for Sarajevo radio, as BORBA editor for the Socialist Republic of Bosnia-Hercegovina. The previous Bosnia-Hercegovina editor, Avda Husaric, is taking up the post of secretary to the Secretariat for Information of the town assembly of Sarajevo. [Belgrade TANJUG Domestic Service in Serbo-Croatian 1247 GMT 25 Dec 78 LD]

FISHING TALKS WITH ALBANIA--Skopje--The seventh meeting of the Yugoslav-Albanian standing subcommission for fishing in border waters was held in Skopje today. The session discussed the implementation of the commitments taken on at the previous meeting of the subcommission held in Tirana last year. Agreement was reached on measures contributing to an even more coordinated and successful promotion of fishing in the border waters of the two countries, reciprocal exchange of experience, and the participation of SFRY and People's Republic of Albania experts in the practical application of agreed measures. [Belgrade TANJUG Domestic Service in Serbo-Croatian 1401 GMT 25 Dec 78 LD]